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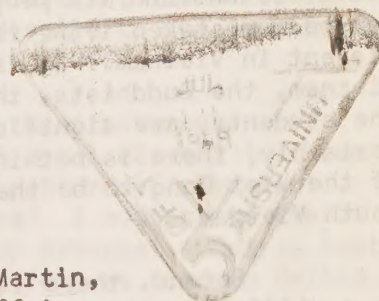
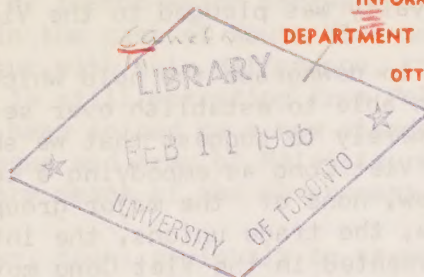




## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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No. 66/1

### THE CRUCIAL ISSUE OF VIETNAM

Statement by the Honourable Paul Martin,  
Secretary of State for External Affairs,  
in the House of Commons on January 25, 1966.

...I trust ... that there will be an opportunity soon for the House to undertake a broad review of foreign affairs. Today, I thought I should like to confine my statement on behalf of the Government, to the crucial issue of Vietnam. No issue has so much preoccupied public opinion in Canada or the members of this House in recent months. No issue has aroused greater misgivings or greater uncertainty about where the right course for Canada lies. Probably no issue has cast a darker shadow on the prospects of peaceful accommodation and peaceful co-operation in the world.

The policy of the Government in relation to the Vietnam problem is now a matter of record. It was stated before the External Affairs Committee on Wednesday and Thursday, June 9 and 10. If I restate it today, it is because I regard it as right to do so at the outset of this new Parliament and in the light of recent significant developments in the situation.

In our view, the situation in Vietnam needs to be viewed from three separate perspectives. First, there is what I might call the perspective of internal dissent in South Vietnam. This is something we must expect in any new country where the people live on the margin of subsistence. It exists because the process of social and economic transformation that is the basis of any significant development is bound to involve dislocation and disruption. It exists in greater degree in a country like South Vietnam because of the intervention from the outside. This, in turn, has made it impossible for successive governments in that country to lay a recognizable basis for political stability.

But let us not on that account equate that outside intervention with the desire for social and economic change. Let us remember that long before the conflict in South Vietnam erupted into open hostilities it was the agents of change -- the administrators, the teachers, the public health workers and others like them -- who were the prime targets of terror. Let us remember that, whatever the change of government in Saigon, and there have been many,



the level of that terror did not abate. And let us also remember that, when the government of President Diem was forcibly overthrown in 1963, it was not overthrown by men or groups whose loyalty was pledged to the Viet Cong.

This is not to discount or to downgrade the hold which the Viet Cong has by one means or another been able to establish over sections of South Vietnam and its people; it is merely to suggest that we should be entirely mistaken if we regarded the Viet Cong as embodying a consensus of dissent in Vietnam. So far as we know, none of the major groupings in South Vietnam, the Buddhists, the Catholics, the trade unions, the intellectuals, the students, are significantly represented in the Viet Cong movement. Certainly, there is nothing to suggest that there is any basis for the claim of the Viet Cong to be the sole legitimate representative of the people of South Vietnam.

Second, there is the matter of outside intervention. Admittedly this is a difficult situation to disentangle in a divided country. After all, it is often argued: What is the sense in speaking of intervention in a context where Vietnamese are involved on both sides? I suggest to the House that, whatever the circumstances in which these dividing-lines were drawn, they have come to reflect political realities which it will take time to alter. They neither justify nor diminish the fact of aggression.

What is happening in Vietnam may not be aggression in the classical sense of the term but it is aggression all the same, and it is aggression carried out in this case under the guise of a war of liberation. The aim of that aggression is to establish in South Vietnam a form of political organization which we have no evidence to suggest that the people of South Vietnam would freely choose for themselves.

We have said that in principle we appreciate and support the purposes and objectives of the policy of the United States. This was affirmed by the Prime Minister when the matter was first discussed in this House. We have said that because, as the Prime Minister put it, we cannot in this nuclear world of ours "afford any permissible kinds of international violence" of the kind by which the North Vietnamese are trying to achieve their objectives in the South. We have said this because we are of the view that the people of South Vietnam must be left to work out their own future free from outside pressure or intervention. We are not disposed to deny to the people of the South the right of self-determination which we have conceded to others in accordance with the solemn principles of the Charter of the United Nations.

Third, there is an even more broad perspective, one from which I think the course of developments in Vietnam has to be viewed. I do not want to urge on the House the "domino" or any other currently fashionable theory. But I do suggest to the House that we cannot look at the situation in Vietnam in isolation. In neighbouring Laos, the country is to all intents and purposes partitioned. The part that is under Pathet Lao control is being freely used for the movement of men and materials from North to South Vietnam. Members of the armed forces of North Vietnam have been engaged in open attacks against the armed forces of the Royal Government of Laos. All this is in clear contravention of the undertakings solemnly given in Geneva in 1962; and Canada was a member of that Conference.



In Northeastern and Southern Thailand, there are the beginnings of the same kind of terror which marked the first phase of insurgency in South Vietnam. As in the case of South Vietnam, this is being aided and abetted from outside but with this difference, that the Thai Patriotic Front, as it is called, is still operating from Peking. It has within the past several weeks been joined by a new clandestine organization, the National Liberation League and Army of Malaysia, which is dedicated to the overthrow by revolutionary means of the Government of Malaysia.

Are we, then, seriously to assume that all these movements are coming into being because the legitimate channels of local dissent in these countries have been closed? Or is this part of the pattern of permanent revolution which is being propagated in some quarters? I suggest to the House, on my responsibility as Secretary of State for External Affairs, that these are questions which we must seriously ponder before we condemn United States policy in Vietnam ....

That is our assessment of the forces that are at work in the present conflict. There are those who would have us alter that assessment for the mere sake of giving the appearance of Canadian independence as though independence consisted only in taking positions which are necessarily against those of one's friends. Our policy in this situation represents our own honest assessment of the position and is not a reflection in any way of pressure imposed on us by the United States or by any other country. In this matter we are as independent as in Her Majesty's Government in the United Kingdom. I say to the House that, after more than 11 years of active involvement in the situation in Vietnam, we are perfectly capable of arriving at an independent assessment of that situation without having recourse to false credentials. The question we must surely ask ourselves is this: Can we ignore the challenge of the aggression by these Communist liberation fronts in Asia?

Were we able to ignore the situation in Europe 20 years ago? I am not saying that the situation in Europe now is comparable with that existing at present in Asia. Undoubtedly there is a détente in effect between the West and the Soviet Union in Europe. I am talking about the situation in Asia, where a different state of affairs prevails but where there are some comparisons to the history of the immediate post-war period in Europe. No one will deny that mistakes have been made in Asia and I think some have been made by the United States. But there is, it seems to me, a parallel between the situation in Asia and that in Europe following the end of the war.

We must ask ourselves what the failure of United States efforts in Asia would mean to us as well as to that country. We must ask ourselves what it would mean to India, to Thailand, to the island countries, the Philippines, New Zealand and Australia. We must ask ourselves what it would mean to many countries in Asia and Africa which, although critical of the United States, would be deeply concerned over a Communist victory in Vietnam. I ask what would be the concern of the Soviet Union in these circumstances. I must ask the House whether Canada's real interests would be promoted by a United States defeat. I must ask the House what such a defeat would mean by way of encouragement to an aggressive brand of political action. It is

because of these considerations for Canada and other countries that we cannot deny the importance of this conflict in Vietnam to us all. I have given the House my assessment of the conflict. I shall now turn to the policy which we have thought it right for Canada to follow in relation to this conflict.

In the first place, there is our membership on the International Commission. The House is well aware that this has been an increasingly frustrating commitment. The circumstances facing the Commission today bear little resemblance to those envisaged when the Commission was given its mandate. Nevertheless, we have thought it right to maintain a Canadian presence in Vietnam. We have done so because the Commission still has a function to perform in bringing its objective judgment to bear on the facts of the situation, because the Commission continues to maintain, at least in symbolic form, the validity of the Geneva Agreements on which, all the parties seem to agree, any fresh settlement of the Vietnam conflict must be constructed, and because the Commission may still be able to play a part in the context of such a settlement, if not to serve as a channel of contact between the parties themselves.

The charge is sometimes made that Canada has failed to act impartially in discharging its responsibilities on the Commission. This charge, in my judgment and on my examination and on the advice of my officers in whom I have the fullest confidence, men who have served Canada in Indochina for 11 years, has no basis in fact. I reject it without any hesitation. We have acted impartially in relation to all the facts and all the evidence which has come before the Commission. Contrary to what is sometimes asserted, we have been associated with findings against South Vietnam as we have been associated with findings against the North. We subscribed to the Commission's Special Report of June 1962 because it represented a balanced presentation of events in Vietnam. We also appended a minority report to the Commission's Special Message of February 1965, not because we disputed the findings of the majority but because it was our view that there were other factors which it was legitimate to include on the basis of all the evidence available to us at that time. In all this, I think, we need make no apology to our Commission partners for the way in which we have interpreted our responsibilities on the Commission.

To my knowledge, for example (and I state this not by way of criticism but by way of fact), our Polish colleagues on the Commission have never found occasion to support a finding against North Vietnam and have frequently refused even to participate in an investigation where such a finding was likely to be the outcome. Yet it would be found that Canada, as a member of the Commission, did not hesitate where this was called for to criticize the actions of the Government in the South. The Commission has no authority to criticize any state not a signatory of the Geneva Agreement but the implications are there for everyone to read and there was no reservation made in the Canadian position with regard to the Commission's report of 1962.

Then there is the matter of sending Canadian troops to Vietnam. We have made it as clear as it can be made that we should not regard such a course as being compatible with our responsibilities on the International Commission in Vietnam. This is far from being the frivolous argument some



have professed it to be. The Geneva cease-fire agreement, which the Commission is there to administer, prohibits in its very terms the introduction of military forces into either part of Vietnam. It would scarcely be right for one of the powers which has been entrusted with the supervision of the Agreement to abet one of the parties in an infraction of its terms. Any other position on our part would certainly have the gravest consequences to our ability to carry out peace-keeping functions not only in this area but more generally and in other contexts. I believe we can all take pride in Canada's achievements in this field of international activity and I believe it is imperative in the interests of international peace keeping not to jeopardize our ability to contribute significantly to such activities.

Altogether apart from membership on the Commission, however, the Government's policy, as I have stated it twice in this House and as it was reaffirmed by the Prime Minister the other day, is that the Government has no intention to recommend at any time the commitment of our forces to Asia unless pursuant to an obligation under the Charter of the United Nations....

My next point is this. Our policy has been directed towards helping to bring the present conflict from the battlefield to the negotiating table. This has always been our position and it remains our objective. We have made it clear, and the Prime Minister did so again only the other day, that we do not look upon the present conflict as being amenable to a military solution alone. We have taken every opportunity available to us to probe the possibilities for peace and, indeed, we are doing that at this very time. We proposed a pause in the bombing of North Vietnam last April, not because we looked to one side only to make concessions but because we hoped that such a pause might provide a climate in which it would prove easier for the other side to respond in a positive way. We have welcomed the current pause, which has now been in effect for an entire month, and the search for a peaceful conclusion of the conflict which has accompanied it. Although the absence of any positive response from the other side has been a matter of deep disappointment to us, we have expressed the hope that the pause might be further extended until all reasonable possibilities have been exhausted. I simply ask: Have all reasonable possibilities been exhausted? I should hope that the pause would continue as long as possible. I should hope that before any final step were taken in this regard the most careful consideration would be given to an examination of any indication that North Vietnam was now seriously engaged in examining the possibility of negotiations. In the final analysis, however, we must recognize that it is not for Canada to take the crucial decisions which lie immediately ahead since we are not a party to the hostilities. On the other hand, we do think there may well be a contribution which Canada can make to an ultimate settlement because of the long experience we have had of the problems at issue in this whole area.

We have expressed our regret that, in a situation which so deeply engages the concern of the international community, the United Nations has been prevented from playing any effective part. We recognize, as the Secretary-General did again in his press conference on Thursday last, that there are reasons why the United Nations has been unable to act in the present circumstances.

...It is clear that China could regard the Secretary-General, I regret to say, as persona non grata. It is true that China is not a member of the United Nations. It is true that South and North Vietnam are not members. It has not been possible to use the United Nations fully and there has been a failure on the part of some nations to appreciate the great role that the office of the Secretary-General affords in so delicate a situation.

These are obvious reasons why the United Nations has been unable to act and why the Secretary-General himself has not been able to act as fully as he would have liked. But I hope he will continue to explore all the possibilities that may be open to him as Secretary-General to encourage action that will set this conflict on a course of peace. I would also hope with him that there may yet be a role for the United Nations in securing the terms of any settlement of the present conflict. If and when that time comes, I can assure the Secretary-General and the House that the Canadian Government will do whatever it can to enable the United Nations to carry out its responsibilities in this area as it has done in similar circumstances elsewhere.

We have also directed our thinking toward the great task of rehabilitation in that whole area that will have to form a part of any durable settlement of the Vietnam conflict. We have resumed our pledge to participate in the works of the Mekong Development Committee. We have subscribed to the capital of the Asian Development Bank, which has now been established. We are prepared to devote further substantial resources to regional development in Southeast Asia, in which I hope both communities in Vietnam could play their full part and derive their full benefit. Indeed, I should go further and say that I should look toward this whole field of regional development as providing a framework within which these two communities might be able to establish a basis for mutual acceptance and co-operation.

Over the past month...efforts have been made by many countries to explore the opportunities there may be for peace in Vietnam. Canada alone, and Canada in concert with others, has done what it could do to try and bring about negotiations. The House will be aware of the efforts which have recently been made by the United States to reaffirm its readiness to negotiate an honourable conclusion to the present conflict. We are satisfied beyond any doubt that the efforts of the United States during the past month through its Secretary of State, through its Vice-President, through its delegate to the United Nations and through others, have been sincerely directed toward trying to bring about negotiations without any preconditions. It is regrettable that no response has been forthcoming, and I think it is only fair to point out that, whatever some may think of the course of action by our neighbour the fact is that no one can suggest that the United States has not sincerely sought to achieve negotiations. As I said in the United Nations, those who criticize the United States ought to engage in the same energetic pursuit to persuade North Vietnam and others that the time has come when we should have negotiations to establish peace.



I cannot predict how much longer the present pause in the bombing of North Vietnam will last. I can assure the House that our views in this regard have been made known in a way which we believe, in the circumstances, to be the most effective way of presenting our point of view. What has happened in conjunction with this pause was an effort by the United States to seek peace.

In the short run, there may well be an intensification of the level of military activity in Vietnam. I should hope that, even at this hour, we could avoid that possibility and that we should have some positive indication from Hanoi, as a result of the efforts that have been made during the course of the last weeks to try and bring about negotiations with the North consistent with the offer to negotiate that has been made.

It is clear that the Geneva Agreement is regarded by the parties as a suitable point of departure for any future settlement. I should not want to suggest to the House that there is formal agreement between the parties on this particular formulation. The Government of North Vietnam holds that its four points contain the essence of the military and political provisions agreed to at Geneva and must be accepted publicly by the United States before any political settlement of the Vietnam problem can be envisaged. What I am concerned to do is to state the minimum common ground on which there appears to be agreement and from which negotiation would necessarily have to proceed.

There would also seem to be agreement between the parties that there should be a withdrawal of foreign military forces and a dismantling of foreign military bases in Vietnam. This is again a minimum formulation. The Government of North Vietnam would regard this as a prior condition to any settlement. For its part, the United States has made it clear that it wants neither a continuing military presence in South Vietnam nor bases in Southeast Asia. But it has also made it clear that this is on condition that there is peace in the area.

So far as the internal affairs of South Vietnam are concerned, there is agreement on the basic proposition that these must be settled by the people of South Vietnam themselves without any foreign interference....

I have said that we are not one of the belligerents in this regrettable conflict. We regret that the United Nations is not capable of serving the function for which its Charter provides. That is not the fault of a country like Canada or the fault of any one member of the United Nations. This is a situation involving grave issues and the Government has had to consider, in its assessment of the problem, the consequences in Asia which in the fullness of time could well provide the same effects as attended the end of the Second World War.

I believe that our relations with the Soviet Union are now on a much firmer foundation. I believe that the threat of conflict between the Soviet Union and the West has very considerably receded. However, we are now faced with a dangerous situation in Asia. Canada, as a member of the International Commission, is doing its utmost to discharge its

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responsibilities. Canada is ready to do what it can to provide resources to help in bringing about economic improvement in this regrettably unstable region if only there can be peace, and peace is possible only if the parties to a dispute are willing to engage in a fruitful discussion. I can assure the House that this Government had done everything it could to bring about discussions leading to negotiations which we hope could bring peace in Indochina.

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## STATEMENTS AND SPEECHES

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No. 66/2

### TOWARD A VIETNAM SETTLEMENT

Statement by the Prime Minister, the Right Honourable Lester B. Pearson, in the House of Commons on January 20, 1966.

...I should like to say a few words now, and only a few words, about the situation in Vietnam. Just as the situation in Rhodesia is a threat to peace and orderly development in all of Africa and could bring about an African conflict, so the situation in Vietnam remains a threat to peace and to orderly development not only in Southeast Asia but also in all of Asia. It could ultimately lead to the worst of catastrophes. In recent weeks the United States Government has made offers for a negotiated settlement. I believe, on the information I have received and from the contacts we have been able to make—and these have been close and continuous—among our friends in Washington, in London and in other capitals on this subject, that these offers are genuine and sincere and that they should be supported by all who believe in the necessity of bringing the fighting to an end and beginning a process of negotiation.

In one sense I think it is right to say that these offers have already begun the process of negotiation by throwing out public proposals and by eliciting perhaps not counter-proposals from those to whom the original proposals were made but counter-proposals from one source or another. I hope this process will be continued. Obviously there is a limit beyond which this kind of dialogue cannot be carried but I hope what has been going on will lead to the constructive play of diplomatic negotiation and a chance to explore opportunities for peace, and that those who are more directly concerned than we are and who are bearing the burden of this issue will be able to maintain the patience and wisdom they have been showing in recent weeks since those offers were first made. There is a discouraging side to all this. It is that there has been no response that anyone can detect from Hanoi itself. I think it is wise for the critics of the United States to remember this fact.

At the Commonwealth prime ministers' meeting last June, we tried to take an initiative which would bring the Commonwealth into this issue by way of a Commonwealth mission which would include members who were certainly not unacceptable to the Communists, men who, in two cases, were certainly uncommitted. No success was



achieved as a result of that effort. It was spurned by Hanoi and perhaps by some of those who are behind Hanoi; I do not know.

...We took the position at that time, and I believe it is the American position now—perhaps it was also at that time, though it was a little unclear to some of us—that, in the negotiations which will have to take place, the North Vietnamese Government, as the other government of Vietnam, should bring to the negotiations anyone it wished, including the Viet Cong, as part of its delegation. There were some members of the Commonwealth mission who certainly would have gone further than that.

However, there has been no positive response from Hanoi on this present occasion, and there was no positive response on that earlier occasion either. So far as one can gather from any statement of their position, they have made it clear, at least publicly, that there can be no negotiations without the United States withdrawing and without the Viet Cong being considered as the only legitimate representatives of the South Vietnamese people. That is a very difficult position for anyone else to accept.

Nevertheless, the United States has suspended air-bombing and I hope it will be able to maintain that suspension as long as possible. I also hope that with patience, as well as determination, this effort by the Americans for negotiations will have some success.

I should like to read just one sentence from the President's Congressional address, to which I think considerable importance should be attached but to which not very much publicity has been given. I quote from his address as follows:

"We will respond if others reduce their use of force; and we will withdraw our soldiers once South Vietnam is securely guaranteed the right to shape its own future."

Perhaps progress would be possible if the North Vietnamese even accepted the idea of negotiations. Once that acceptance has been given by both sides (and it has already been given by the United States), it might be possible, on the acceptance of negotiations, to begin a process of withdrawal. Perhaps that is what the President was hinting at as a possibility in that sentence. I do not know. However... in my view it is perfectly clear that military force alone will not settle this problem, will not resolve this issue either by toppling the regime in the North or by permitting the Communists to absorb the South.

Perhaps the result—and it is not one that anyone can get any particular satisfaction out of—perhaps the ultimate solution will have to be, as it has been in other cases since World War II, the acceptance of two Vietnamese communities, neutralized, with other countries staying out. So long as the problem is approached in terms of "puppet regimes" or "national liberation struggles", we run the risk of obscuring the basic

fact that there are now two communities in Vietnam and we also run the risk of misjudging the possibility of one community gaining a complete ascendancy over the other by military means or by subversion, or by any other means not based on the clearly expressed choice of the people concerned. In the case of two communities that have developed for more than a decade along different lines, and towards which such massive outside engagements have already been made, it seems difficult to believe that one would now be allowed simply to extinguish the other.

In my view, we should not preclude the possibility of the reunification of Vietnam which, unquestionably, corresponds with the aspirations of the Vietnamese people, and it would be my hope -- and I am sure of all Honourable Members -- that, when the fighting has ended and peace is restored, the two communities could proceed quickly towards establishing the basis of confidence which would bring about such reunification.

...I cannot help but add that every indication is against Communist China participating in any United Nations intervention.

... Naturally, I think we would all like to see the United Nations involved in this matter as soon as possible if there were any possibility of progress in that way, just as in the Rhodesian conflict we at Lagos agreed that, if economic sanctions, financial sanctions and oil sanctions did not work, and if any member of the Commonwealth thought they were not working, then, having set up the Sanctions Committee, that member of the Commonwealth could appeal to the Sanctions Committee for a reconvening of the Commonwealth Conference or could go to the United Nations and, in the Security Council of the United Nations, introduce a sanctions resolution under Chapter 7 of the Charter which would be obligatory on all members of the United Nations. This could be possible and successful in the case of Rhodesia, but I think it would be quite unrealistic to think UN involvement would be effective in any way in the Vietnamese conflict, unless somehow Communist China could be brought into association with it, and both governments of Vietnam showed a desire to go to the United Nations.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA CANADA

No. 66/3      AN INDEPENDENT FOREIGN POLICY

Speech by the Honourable Paul Martin to  
the Canadian Club, Toronto, January 31, 1966.

Today I wish to speak about the independence of our foreign policy and its relationship to the interests of other nations in the world community.

The word independence has a powerful appeal to most people in the world, and to no people more than the Canadians. It is not so very long ago that we attained the final stages of full sovereignty by taking over complete control of our external relations. With the approach of the centenary, we are thinking of the contribution to that development of some of the great architects of our independence.

Sir Wilfred Laurier was asked at the Jubilee celebration of Queen Victoria in 1897 whether Canada would one day become a nation. He answered: "Canada is a nation. Canada is free and freedom is its nationality". In insisting that the first and indisputable mark of our identity was the independence which Canadians of diverse origins sought and cherished in common, this great Prime Minister proclaimed a confidence in our destiny which has sustained us since then.

Another great Canadian leader, Sir Robert Borden, made the following comment in 1918 at the end of an exhausting war in which the protection of Canadian interests in relation with more powerful allies had been no easy matter: "I am beginning to feel that, in the end, and perhaps sooner than later, Canada must assume full sovereignty. She can give better service to Great Britain and the United States and to the world in that way".

In speaking simultaneously of full sovereignty and of service to the world, Sir Robert Borden pointed to the full meaning of independence which I should like to discuss. I might almost entitle my talk "The Uses and Abuses of Independence".

It is not easy for us in the contemporary world to maintain the cherished independence of thought and decision obtained in the past 100 years. There are two reasons for this.

In the first place, no nation can enjoy the degree of independence in decision which existed in earlier times. Every major decision has become immensely more complicated by the considerations which new military technology, science, economics and humanitarian obligations present to the governments concerned. The great powers have more complex considerations to weigh, but the lesser powers cannot expect to have much freedom of choice either. Independence in foreign affairs cannot have quite the same meaning as in other fields.

In the second place, Canada has its own unique problems in maintaining independence. We are a nation of relatively limited population in an immense territory, with our only neighbour the most powerful nation in the world. We are a new nation which has strong cultural links with many countries but particularly with the United States, Britain and France. We have had to develop an identity in the midst of these influences in a century in which two world wars and the military and economic pressures leading to collective action have set a high premium on conformity in views.

The problem remains, and I have, therefore, chosen to speak about the fact of our independence and about the means of preserving it. I believe that correct public understanding of the formulation of our foreign policy is of the greatest importance today.

There are two directions from which we must approach this subject. Both are essential to a full understanding.

In the first place, I should like to establish the basic fact of our independence in relation to some of the world problems of the moment, because there are people who doubt it.

In the second place, I should like to explain why we can take an independent and useful role in world affairs and what are the means chosen by the Government to ensure that we can continue to do this. A nation which does not understand the conditions on which its strength and independence rest will not be able to preserve them effectively.

There are persons who ask whether we have a foreign policy centred on Canadian interests and viewpoints. I do not think they realize the extent and intensity of the work which is done to produce exactly that kind of policy. Every week hundreds of telegrams and despatches arrive from Canadian missions abroad. Every week scores of memoranda are prepared within my Department or in other departments in Ottawa recommending courses of action which best seem to meet Canadian external interests.



When our national interests and our judgment of a particular situation coincide with those of other nations, then we are quite happy to be identified with others in a common policy. Canada is a mature and responsible nation. It sees no value in difference for the sake of difference, for the simple purpose of attracting attention.

Where there are good reasons to take a stand different from that of allies or friends, we do so. This is the point which tends to be overlooked and which I accordingly stress.

The record of such independence of viewpoint is abundantly clear. In a number of situations we have taken action or urged viewpoints clearly different from those of nations with which, otherwise, we had a close identity of viewpoint. I should refer, by way of example, to trade relations with Communist nations generally, the Suez crisis of 1956, relations with Cuba, the admission of new members to the United Nations, relations with China, the situation in Indochina, some aspects of peace keeping and the implications of common membership in NATO. Individual Canadians may agree or disagree with the decisions of the Government of the day, but they cannot justifiably deny that the decisions were Canadian ones. Our policies emerge from our own combination of interests, convictions and traditions -- they are not borrowed from or imposed by others.

It is impossible for me to describe Canadian policies in all the areas mentioned above. I should like, however, to say something about the situation in Vietnam. This is one problem concerning which there is a good deal of misunderstanding.

It is sometimes alleged that Canadian policies can be independent only where United States interests are not significantly involved. Conversely it is said that, where a major United States interest is engaged, as it undoubtedly is in Vietnam, Canadian policy can operate only within strictly defined limitations.

To put the issue more bluntly: has Canada maintained a mind of its own on the course of developments in Vietnam?

For more than 11 years we have maintained a substantial Canadian presence there as observers. Almost one-quarter of our foreign service officers -- not to mention an even greater number of members of the Canadian armed services -- have done tours of duty there with the International Control Commission. As a result of this continuing and very substantial presence, we have been able to form an accurate assessment of the issues at stake. We have not shut our eyes to violations of the Geneva Agreement which have helped to bring about the present dangerous situation in that country.

We recognize that South Vietnam has violated the Agreement by seeking and receiving military assistance principally from the United States. We also know that, long before this assistance



reached its present level and long before the onset of open hostilities, North Vietnam had been deliberately violating the Agreement by organizing, assisting and encouraging activities in the South directed at the overthrow of the Government of South Vietnam.

We have not only recognized this situation; we have a public and official statement about it. In June 1962, Canada and India, in a special report to the Co-Chairmen of the Geneva conference, concluded that the situation in Vietnam had "shown signs of rapid deterioration". Part of the responsibility for this situation, the report goes on to say, was South Vietnam's for entering into a de facto military alliance with the United States and for allowing the entry into its territory of armed personnel and equipment beyond approved levels. These measures of military assistance, the South Vietnamese Government had said, were necessitated by the growing interference by the North in the internal affairs of the South. The report also concluded that there was evidence to show that North Vietnam had sent armed and unarmed personnel, equipment and supplies into the South for aggressive purposes and that the North was allowing its territory to be used for hostile actions against the South.

This, in our view, was a balanced and accurate presentation. In agreeing to it, we and the Indians attempted to place before world opinion our assessment that a difficult situation was developing in Vietnam because of the increasing violations of the cease-fire by both sides.

I think that this report can be characterized not as neutral about truth and falsehood but as impartial and objective with respect to all the facts and evidence we had before us.

In February 1965, with the beginning of air strikes against the North, it was decided that the Commission should send another special message to the Co-Chairmen. We made repeated attempts to convince our colleagues that this too should be a balanced and objective report in relation to all the facts, and not just a partial selection of them. Nevertheless it was decided, with Canada dissenting, that the message would deal only with the air strikes.

In dissenting, we had no doubt that these strikes had been carried out and that violations of the Agreement had taken place. We were not attempting to cover up these serious developments -- the Commission could scarcely hide something which was front-page news all over the world. Our concern, and our decision to submit a minority statement, were dictated not by an attempt to whitewash our friends but by the danger of misleading world opinion about what had been going on in Vietnam. Our minority statement was accordingly cast in terms of violations on the other side of the ledger in an attempt to restore an essential balance to the Commission's judgments.

Does this demonstrate that we have departed from the standards of impartiality in this particular sphere of our foreign policy? I think not. On the contrary, I think it demonstrates just the reverse. As I suggested earlier, the exercise of impartial judgment demands a concern for accuracy and a desire not to mislead or to be misunderstood. It also demands the maintenance of the same -- I repeat, the same -- critical standards towards both sides.

Unless one were to prejudge the issues at stake in Vietnam and to conclude that the South and the United States are totally wrong and the North wholly in the right, it is senseless to argue that Canada can demonstrate its independence of judgment only in criticism of United States policy -- and in criticism of that nation alone.

There have been other instances in which Canada has had to choose a course of action when there was little unanimity among its allies about what the general Western interest required. It has always been difficult to decide, for example, to what extent trade and other relations should be developed with the Communist nations. We have taken the view, however, that trade in non-strategic goods was desirable. We have tried to develop contacts and exchanges, provided the other side was prepared to deal with us on a basis of genuine reciprocity. Although we have not been prepared to support the entry of Communist China into the United Nations on the terms it has so far set, we have made it clear in our own statements of policy that we recognized the desirability of having that nation in the world organization.

In many ways in the United Nations, in the Commonwealth and in other international organizations, Canada has developed a reputation for independent action. I was told by a departing ambassador in Ottawa a few days ago that he had come to this country expecting to find us very much influenced by our giant neighbour to the south. He is leaving with the conviction that Canada has clearly established its own political identity in world affairs. He was grateful for some things which we had done for his country and he paid tribute to our willingness to help in the solution of disputes. Our representatives abroad report many such tributes to Canadian policies.

The fact of our independence in foreign policy seems to me, therefore, to be well established by the evidence available.

I believe that it is also important to consider why we are able to take an active and constructive role in international affairs. Proof of a genuinely independent Canadian role is to be found as much in an examination of the fundamental circumstances of our national existence and of our diplomacy as in an indication of viewpoints on current problems.

In examining these fundamental questions, I should like to comment on the views of those who ask whether the true logic of independence should not be to stay outside alliances and to avoid close economic relations with the United States, lest our independence be jeopardized.



I believe that there are five basic objectives which the Government must seek if we are to remain truly independent:

- (1) We must have military security;
- (2) we must have expanding economic strength;
- (3) we must be able to exert influence on others;
- (4) we must be able and willing to play a creative role in many areas of international affairs; and
- (5) we must maintain a basic unity at home in Canada concerning our national interest in world affairs.

The Canadian Government believes that NATO defence arrangements, and the continental arrangements which fit logically into them, provide security, which is the basis of independence. It believes that these defence arrangements offer the partnership into which a sovereign state can enter without loss of national identity or independent viewpoint. For this reason, it has set a high priority on maintaining strength, stability and good political relations among allies.

I know that there are some Canadians who see in such arrangements only the political constraints of an alliance, only the possible dangers of undue political influence by larger members in the affairs of others. I wonder how seriously these critics have considered the overwhelming limitations on our independence and on our fruitful participation in world affairs which isolation, neutrality and military weakness would create.

There is no nation more subject to pressures, more dependent on the views of others or more uncertain of itself, than one with a precarious economy.

I have referred to growing economic strength rather than to current prosperity. We must consider the long-term needs of the country in developing our industry, in making better use of our resources, in increasing the population and in ensuring stable markets. Our experience has been similar to that of all the more economically advanced countries of the free world. A free movement of capital and of business experience and liberal conditions for trade and competition are among the best guarantees of sound economic development.

For Canada, of course, geography and economic facts make it inevitable that a large part of that capital should come from the United States and that a large part of our trade should be with that nation. In entering into agreements with the United States on the Columbia River, on automotive products and on many other matters affecting economic conditions, the Government has considered the long-term economic needs of the country.

The very scale of our involvement with the United States in economic matters naturally brings some problems, along with major benefits. Some argue that, in time, economic involvement on this scale will submerge our independence.

I believe that there are some simple and effective answers to this prediction. I do not accept this type of political or economic fatalism. We shall not lose our independence in this way unless we want to. We are engaged in a process of economic development which should render us basically stronger, not weaker, both in a continental and in a world sense. Where our exposure to the much greater forces of the American economy creates particular problems for some part of our economy, we take remedial action. On the basis of friendship and mutual respect, we bargain with representatives of the United States to obtain the best conditions for our country, as they do for theirs. We have certainly not ignored other possibilities for developing our country and our businessmen contest world markets as vigorously in competition with close friends as with anyone else.

It is important that we should see these basic conditions of an alliance and of close economic relations as being, on balance, means of fortifying our independence in world affairs, not as limitations upon it.

The third basic objective I mentioned is that we must be able to exert influence on others. We should have a wide association with other nations and we should systematically cultivate friendly relations with allies and other nations as a means of developing our capacity to influence the course of events. These may appear to be obvious diplomatic objectives not necessarily related to the specific questions on independence being discussed. It is, however, particularly important for a middle power to make such an effort if it wishes to understand and to exert its own influence upon current events. We are more fortunate than some nations in the range of our relations. We have valuable associations with other Commonwealth and NATO members, with France and French-speaking nations, with the countries involved in our aid programmes, with many nations sharing in special tasks in the United Nations. These associations heighten our status in world affairs and prevent us from becoming unduly influenced by any one nation or group.

We must make use of our position of military security, economic strength and wide contacts to play a creative role in world affairs, not only in our immediate interests but in the long-term interests of the world community. I believe that the number of fields in which we take a constructive role provides ample evidence not only of an independence of thought or publicly-declared policy in controversial matters but of action in taking initiatives or accepting responsibilities which are not always well known. I am thinking of our role in all the major peace-keeping operations of the United Nations, in disarmament discussions, in international development aid and relief and in cultural and



educational relations. Canada is accepted and welcomed by nations in many different parts of the world as a participant in important ventures. Those who ask whether we have an independent identity before the world must consider all this evidence of decision, action and participation in international affairs.

We have fulfilled the terms set forth by Sir Robert Borden, full sovereignty and service to the world.

There is, finally, one aspect to this question of maintaining independence which is not really one of foreign policy but rather of the domestic conditions supporting an effective foreign policy. There will never be complete agreement in the country as to the exact course of action which we should follow in any major problem of international affairs. I should hope, however, that we should agree on certain fundamental requirements in the national interest. One is that there can be only one official voice speaking for Canada on foreign policy in matters of national interest when the decisions have been made. The other -- and I realize that this is a matter of judgment or degree -- is that we might well agree, in view of the weight of evidence available, that Canada does have its own independent policies and its own role in world affairs and that we should concentrate rather on debating the most effective means in any given case to serve the national interest.

I have attempted to set before you the dimensions of independence in foreign policy -- the proof of it in specific international problems, the conditions on which it rests in our existence as a nation. It will be apparent that, in the contemporary world, independence is as many-sided as freedom itself. There is the freedom to agree as well as to disagree; the freedom to consult and not only to go it alone; the freedom to show self-restraint as well as to assert ourselves ostentatiously; the freedom to make our voice heard but also the freedom to remain silent; the freedom to assess the consequences of our acts and utterances and not to behave as though we could be entirely unmindful of the reactions of others; the freedom to recognize the facts of our geography and not to imagine that we are a detached island in space.

The objective of an independent country in the dangerous world in which we live should surely be to make the greatest possible contribution to peace and security and not merely to flaunt a hollow independence for its own sake. In the modern world, independence exists not so much to be displayed as to be used -- and to be used responsibly and effectively.

I believe that the statesmen who first charted the course of our independence saw our destiny as a nation in this way and that the people of Canada today would wish its Government to act always in the spirit of civilized patriotism and of enlightened internationalism.



# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 66/4

## CANADA-U.S. FINANCIAL RELATIONS

Statement to the House of Commons on  
January 27, 1966, by the Honourable  
Mitchell Sharp, Minister of Finance.

Honourable members will recall that for more than a decade Canada has been spending more abroad than it has been earning abroad. The deficit has been as high as \$1.5 billion in 1959. In 1963 and 1964 it was down to about half a billion dollars. In 1965 it got up to about \$1 billion and during the present year it will probably be a little more.

At times of prosperity like the present, when our own resources are almost fully employed, this current-account deficit and the import of capital which accompanies it enables us to grow and develop more rapidly than would otherwise have been the case. We are, of course, able to have these continuing substantial deficits only because we are able to finance them.

Where is this capital to come from? Only from the United States can we expect to raise private long-term capital in the quantities that are required to finance this substantial and continuing excess of current international payments over current international receipts. Neither the volume of saving disposed toward foreign investment nor the organization of the capital markets is great enough in Europe or elsewhere to supply more than a modest fraction of our requirements. We are fortunate that, for a variety of reasons, Canada enjoys the confidence of American investors. It is that confidence which enables us to invest and to grow at the high rates that we desire, and indeed expect, while also maintaining a high standard of consumption.

There are differences of view whether it is desirable that we should incur such substantial current-account deficits year after year and import capital on the scale that we do. One point, however, is obvious - namely, that it makes more sense to incur deficits and import such large sums of capital at a time when we are working close to potential and growing rapidly, as is now the case, than it was, say, in 1959, when there was a high rate of unemployment. I have already mentioned the figure for 1959,



when Canada was in a bit of a recession. That year we were importing capital at the rate of a billion and a half dollars a year. It is nonetheless true that we are heavily dependent upon being able to import the capital we need and we are, therefore, vulnerable to any change in the United States capital markets or any restrictions placed on the United States capital markets of a nature that would interfere with the flow of capital into Canada.

This leads one immediately to consider the position of the United States today. It is hard for us, living as we do just across the border, and perhaps even more difficult for people living at a greater distance from the United States, to realize that a country as powerful and as rich as the United States, one whose currency is in such demand in so many parts of the world, can have a balance-of-payments problem. Yet there is no doubt that it has, although it is very different from ours.

Unlike Canada, the United States normally has a large surplus on its current international account. That is to say its earnings abroad exceed its spending abroad. The amount of the surplus varies of course from year to year, but the general pattern is clear and strong.

The problem of the United States arises from the fact that the American people and the American Government, for one reason or another, have in recent years wished to invest abroad, provide as foreign aid, or utilize for defence purposes much more each year than was available from the surplus in their current-account balance of payments.

The flow of private investment from the United States has been running at billions of dollars a year for many years. It has contributed in the short run to the overall deficit in the balance of payments which the United States has experienced. These overall deficits show up in the loss of the United States gold reserves and in the accumulation of claims on the United States by central banks and governments of other countries and by other banks. While some of us, such as Canada, are only too glad to hold most of our exchange reserves in the form of United States balances and short-term investments, others have been accumulating more of such reserves in U.S. dollars than they feel they would really like to hold and they wish from time to time to convert substantial amounts of such balances into gold, thereby reducing the ultimate reserves into which the U.S. dollars are convertible. For the past several years the United States Government has been taking measures to deal with the situation. The more important and spectacular of these measures have been those which aim at reducing the flow of U.S. investments to other countries.

From what I have said earlier about Canada's position, it is evident that we are particularly vulnerable to restrictions on the outflow of U.S. capital. At first sight it might look as if we were the country most seriously affected. In fact, however, the United States cannot really improve its own balance-of-payments situation by restricting the flow of capital to Canada. That is the difference between the Canadian position and the position of other countries. In short, we are not a drain on the United States. We provide support to the U.S. balance of payments.

One of the first important measures the United States took to improve its balance of payments was the interest-equalization tax, a tax payable by United States investors on the purchases of foreign securities. This was intended to make foreign investment less attractive to Americans. When this was first announced by President Kennedy in July 1963, there was consternation in the financial markets of Canada, because it was quickly realized that this measure as originally proposed would either leave Canada seriously short of foreign exchange and investment capital or would necessitate a substantial increase in interest rates in Canada to levels that would induce Canadian borrowers -- provinces, municipalities and corporations -- to borrow in the United States in the required volume despite the tax, and I would suggest the order of magnitude is more than a one percent increase in interest rates, which, under these circumstances, is very substantial.

Fortunately, we were quickly able to convince Mr. Dillon, then Secretary of the Treasury, and through him President Kennedy, that for the reasons I have described it was not possible for the United States to improve its balance-of-payments position by reducing the exports of capital to Canada below what was required to meet Canada's current-account deficit. Consequently, the United States authorities agreed to exempt new issues of Canadian securities from the interest-equalization tax. In return, the Canadian Government undertook that it was not its intention to increase its foreign-exchange reserves through the proceeds of borrowing in the United States.

For some months after the announcement of this special interest-equalization tax in the United States there was uncertainty as to just how it would apply and the need for working out specific aspects of the exemption. During this period there were relatively few issues of Canadian securities in the United States. Once the situation had clarified, however, U.S. lenders and Canadian borrowers anticipated the final enactment of the law and the exemption, both of which were to be retroactive, and a big backlog of Canadian issues held up during the months of uncertainty moved onto the U.S. market in the second, third and fourth quarters of 1964. In keeping with the spirit of our undertaking to the United States, the former Minister of Finance, my predecessor in office, appealed to the provincial authorities in December 1964, to avoid as far as possible adding to the volume of new Canadian issues in the United States at that time.

Early in 1965 President Johnson reinforced the interest-equalization tax with a programme of guidelines -- advice, suggestions -- for voluntary action on the part of U.S. investors and companies to restrain the flow of their investment outside the United States and bring back to the United States such funds as they reasonably could which had been held abroad by them or their subsidiaries. These guidelines made in February contained some specific provisions for Canada in keeping with the special circumstances which had been recognized in the exemption granted Canadian issues from the interest-equalization tax. Notwithstanding these provisions, however, the guidelines of early 1965 did cause some difficulties in the Canadian market for short-term securities which did not benefit from the special provisions applicable to long-term investment.



I now come to more recent events in respect of which I think this House is particularly interested. In the latter part of 1965, at a season when the Canadian balance of payments is normally relatively strong, our current account and general balance of payments were suddenly strengthened as a result of the second large wheat sale to Russia. During the autumn, Canadian borrowers were also selling a large volume of Canadian securities in the United States. As a result, Canada's exchange reserves, including our net creditor position in the International Monetary Fund, which is proper to count in this connection, increased well above the level at which we were aiming to hold them in accordance with our understanding with the United States in 1963. We regarded this abnormal rise in our reserves as temporary. I said at the time, and I say again, we can reasonably expect to see it reverse in the first half of 1966, but it coincided with a period when the United States was quite concerned over its balance of payments.

The Minister of Finance in November last requested all major Canadian issuers of securities in the United States to defer delivery of their issues, wherever possible, until after the turn of the year, when our current-account position would be seasonally weaker and the U.S. position could be expected to be stronger. I should like, at this time, through the medium of this House, to express the appreciation of the Government for the co-operation shown by these Canadian borrowers in meeting this request, and also for the co-operation of the dealers and buyers of the securities concerned.

While a considerable improvement in the United States payments position had resulted from the measures taken in 1963 and from the subsequent guidelines programmes instituted by President Johnson last February, the United States overall deficit remained large and the United States Government decided last fall that it must adopt further measures. There were two of these of major concern to Canada.

The first of these was a new guideline, a request by the U.S. authorities to financial institutions other than banks, which includes not only investment companies, insurance companies, etc., but also pension funds and other major buyers of securities, to limit the increase in their holdings of long-term foreign investments to a small fraction of their holdings at an earlier date. This was a most important restriction on the sale of long-term securities in the United States. It is one that for some reason or other has been overlooked in some of the comment which has been made in the press of this country. If applied to Canada, it would have had very serious adverse effects. We sought and obtained an exemption from this important restriction, justified on the same grounds as our original exemption from the interest-equalization tax, and in consideration for an undertaking of the same kind on our part regarding the level of our reserves.

We felt, and when I say "we" I mean the financial authorities in this country (the Bank of Canada and the Department of Finance), that in the present state of the economy it was not desirable to rely too heavily on general monetary and financial measures to control the inflow of capital and a more specific instrument of control might be needed.

I therefore told Mr. Fowler, the Secretary of the Treasury in the United States, when I was Acting Minister of Finance, that the Canadian Government would be prepared, if necessary, to buy outstanding Canadian securities held in the United States to offset any excess flow of U.S. capital to Canada, and thus to maintain the net flow of capital at the level required to finance our balance-of-payments deficit. Instead of adding to U.S. assets in our exchange reserves, we should be reducing Canada's liabilities in the United States. Conversely, if the volume of borrowing by other Canadians were not sufficient to meet the balance-of-payments needs, the Government would itself arrange to borrow in the United States. In this way, our reserves could be maintained at around the desired level without interfering either with trade or with the normal use of the U.S. long-term capital markets by Canadian borrowers. I also agreed that, while our reserves must be expected to fluctuate from month to month, we should regard it as appropriate that such fluctuations take place around a level somewhat lower than the mid-1963 figure, say, approximately \$2,600 million (U.S.).

Should it be necessary to borrow in the U.S., I should foresee no great difficulty in obtaining moderate amounts as and when we require them. On the other hand, I believe that there are sufficient Government of Canada securities held in the U.S. market to enable us to do what might be required in buying Canadian securities in the U.S. by using the authority to purchase our own securities that is already granted in the Financial Administration Act.

I should like to tell the House that, since the beginning of 1966, we have purchased about \$40-million worth of our outstanding U.S. bonds that were held in the United States. Our purchase of these securities was consistent with the plan I have outlined but was also intended in considerable part to improve the market for the sale of other Canadian issues in the United States this month, when there appeared likely to be a large volume of such issues scheduled for delivery.

The second important measure adopted by the U.S. in December was a voluntary ceiling on direct investment by United States corporations, of whom about 900 will be asked to report regularly on the progress of their co-operation with the United States administration. The guideline, and I will not take time now to give details, does not stipulate how any company shall distribute its direct investment among geographic areas. This is a global restriction. It does not apply to Canada particularly; it applies to the world. Where it is applied is a matter for the business organization itself to decide. Canada is not exempted from this ceiling or guideline as it was from the previous guideline applying to direct investment.

As soon as we learned of the new United States guidelines for direct investment we told them that, while it was very hard for us to assess what its effects on Canada would be because so much depended on the decisions of the businesses, we thought it would cut down some of the flow of such capital to Canada. In so far as it worked in reducing such flow of such capital direct investment it would simply mean a greater need for new issues of Canadian securities in the United States under the arrangements and exemptions



provided for long-term issues. We felt that, from a U.S. point of view, there was no reason why the Canadian balance-of-payments deficit with the United States should not be financed by direct investment just as well as by the sale of new issues of securities. Consequently, it seemed to us there was no certainty that the effort to restrict direct investment in Canada would, in fact, help the U.S. balance of payments at all in the final result.

We also pointed out that the inclusion of retained earnings of subsidiary corporations in the figures used to determine the voluntary quotas for direct investment worked a particular hardship on Canada. U.S.-controlled companies form such a large part of Canadian industry and have been so long established in Canada that they must be regarded as a basic and substantial part of the Canadian economy.

On the basis of these arguments, we suggested that the United States should continue a special exemption for Canada in their guidelines on direct investment or, if they could not see their way clear to do that, they should permit the investment of retained earnings to be outside the quotas.

My understanding is that the American authorities considered the points we put forward, as they said they would, but came to the conclusion that the guideline on direct investment had to be relatively simple and without special exceptions if it was to be effective in meeting the aims of their general programme. They did assure us, however, that these guidelines would not affect in any way the expansion necessary to achieve the purposes of the Canada-United States automotive agreement.

This guideline on direct investment is intended to restrict the outflow of capital from the United States parent companies to branches and subsidiaries in other countries. There is nothing in these guidelines, so far as I can see (and this is an important point), that would prevent Canadian subsidiaries of United States companies from borrowing like other Canadian companies by means of long-term issues in the United States market.

As I said when these guidelines were announced, they have come into effect at a time when capital investment by business in Canada has been increasing very rapidly and cannot be expected to go on increasing at the same rate. In some measure the restraints imposed by the direct investment guidelines will not conflict with the necessities of our own domestic situation. In particular cases they may, however, result in the delay or cancellation of projects that we might have preferred to see proceed. It is our general economic dependence on imported capital which exposes us to dangers of this kind.

In all the circumstances, we have been fortunate in making arrangements that enable us to finance our balance of payments without restriction on current trade or payments and enable us to secure foreign savings to supplement our own.

I cannot agree with those who say that we should have accepted the application of the interest-equalization tax and accepted limitations on our right to raise long-term funds in the United States and should in return have retained our freedom to increase our reserves at will.... So far as I can see, the result would have been to increase very substantially the cost of Canadians borrowing money both in Canada and the United States without increasing the supply of funds available to us and without gaining anything of substance by way of increased freedom to control our own affairs.

These American guidelines limiting direct investment have also raised another issue - that is to say, whether through them the United States Government is interfering in the internal economic affairs of this country. As I have already said, we pointed out to the United States Government that this kind of measure as it applied to Canada was of very doubtful value as a means of relieving the United States balance-of-payments problem. I believe they would have been better advised to continue the exemption to Canada, both on economic and political grounds. It must be recognized, however, that in attempting to limit the direct investment of its companies abroad, the United States Government is following well-established precedents. Other countries faced with balance-of-payments problems -- I have in mind, for example, the United Kingdom and France -- have taken and do take measures to limit direct investments abroad of their international companies, and I have never heard any suggestion that either the United Kingdom or France is thereby interfering in the internal affairs of other countries.

I do not like these American guidelines on direct investment and I seriously doubt their wisdom. As a Canadian I find some of the language used by the United States Secretary of the Treasury in appealing to United States companies to co-operate in the programme rather objectionable.

But given the overall arrangements between the Canadian and United States Governments which ensure an access to the United States market for long-term funds and the scale and nature of the temporary guidelines on direct investment, I do not think there will be damage to the Canadian economy at this time; indeed the results could be advantageous if the emphasis on capital imports is shifted somewhat from direct investment to borrowing, as successive Canadian governments have been attempting to promote in the past decade. Certainly, it is inconsistent for Canada to protest measures which have the effect of limiting the foreign ownership of our industries and resources.

This is a situation that calls for watchfulness on the part of the Government. We want to see the Americans succeed in their efforts to solve their balance-of-payments problems, we are on their side, so that these kinds of defensive measures on their part, the kind of measures I have been talking about, will become unnecessary. This Government will continue its consultations with the United States with the aim of ensuring that both countries deal with their balance-of-payments problems in ways that take into account the interests of the other.







# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 66/5      FURTHER COMMENTS ON U.S. ECONOMIC GUIDELINES

Statement to the House of Commons on February 2, 1966,  
by the Honourable Mitchell Sharp, Minister of Finance

I intend to speak very briefly... to make a few points on the application and the implications of United States guidelines on direct investment in Canada. First of all, I should like to make it quite clear... as I did in a speech I gave earlier this session, that I am not defending the United States guidelines on direct investment. As Minister of Finance I advised the Government of the United States that I thought they were unwise, both economically and politically, to apply these guidelines to Canada. Therefore, in what I have to say, I am maintaining the position that it would be in the interests of both Canada and the United States if Canada were exempt from these guidelines.

The first general point I should like to make is that, in discussing the problem of the effect of these United States measures on Canada, we must recognize that the United States has a balance-of-payments problem and that these guidelines, as well as other measures, are related to that problem alone. Now, some experts disagree as to the nature of the United States international financial problems. However, I believe we have to recognize that the United States must be the judge of its own responsibilities and its own position.

Undoubtedly the United States Government is concerned about its balance-of-payments position. If it were not concerned, it would not be employing the extraordinary measures it is employing. This leads me to the second point, and that is that one should not make the assumption that is sometimes made, I notice, that the United States Government has embarked upon a new and permanent policy of guidelines on direct investment by international companies based in the United States. If that were so, if in fact we were convinced that the United States had embarked upon a new, permanent policy, there would be very serious cause for concern on the part of not only Canadians but the world at large.

For the time being at least, I think one ought to give the benefit of the doubt to the United States Government and accept the views expressed by members of that administration. If I may, I should like to quote the



views expressed by Mr. Connor, Secretary of Commerce, on January 17, as reported in the New York Times of that day. He said that the voluntary balance-of-payments programme should be ended by February of next year. The more important part of what he said is the following, as outlined in this article:

In discussing the ending of the program a year from now. Mr. Connor said the Government recognized that restraint on direct investment, in particular, was against the longer-run interest of the nation and of the balance of payments, because it would ultimately reduce both exports and income from investments.

On that point I think there is agreement between the Government of the United States and the Government of Canada... that these measures are not in the interests of the United States in the longer run. I think we must take it for granted that the United States has adopted these policies temporarily and that they are not part of a new orientation of United States thinking.

The third point, and one that I have emphasized before in this House but which I should like to emphasize again, is that it is in Canadian interests and in the interests of the Western alliance that the United States should overcome its difficulties. Our attitude as Canadians should be one of co-operation by all reasonable means. This does not mean we should be reluctant to express our views with frankness and vigour to the United States Government, as we have done. I have no complaint at all about the fact that others in this country have been expressing very vigorous views about the application of these policies to Canada.

It does seem to me, however, that we should not go out of our way to increase the difficulties of the United States, because we do want them to overcome their problems so that they can resume the policies they were following when there were no restraints on the movement of capital in or out of the United States.

Finally, I do wish to make it clear once again, as I did in answer to a question today, that the Canadian Government did not accept the application of United States guidelines on direct investment to Canada. These guidelines on direct investment did not form any part of our understanding with the United States Government. In December, I announced the terms of the agreement with the United States Government which related to access to the United States market for long-term funds and freedom from the United States interest-equalization tax, in return for which we agreed to try to achieve a target on our reserves. This was our agreement.

So far as the guidelines are concerned, we are free to take whatever action seems to be appropriate to protect Canadian interests, including, if necessary, as I suggested earlier today, guidelines of our own. For example, the Minister of Trade and Commerce, at my suggestion, is examining the effects of these guidelines upon the trade of Canada and

will no doubt be talking to the heads of Canadian companies that might be affected by the guidelines applicable to their United States parents.

I intimated also, in answer to a question today, something about our attitude on the financial implications of these guidelines. I should like to amplify that. The United States balance-of-payments position is basically protected by the agreement on reserves. It would be most undesirable if the effect of the United States guidelines were to induce strong new pressures of a distorting sort on credit and capital markets in Canada. This would be harmful to Canada and, in view of the overall character of our arrangement with the United States, it would be of no benefit to that country, since it would merely push Canadian borrowers into the new issue market in the United States.

The Governor of the Bank of Canada, on December 10, immediately after the publication of the American guidelines, informed the chief executive officers of the five largest Canadian banks that it was his hope and expectation that, if the banks found themselves confronted with new applications for credit resulting from the American guidelines at a time when they were unable to meet in full the normal demands for business loans for credit-worthy customers, they would continue to look after customers who had relied on them in the past to meet their financial needs. The chief executive officers indicated that they agreed this was the proper course for them to follow. The Governor's views were reiterated at a meeting with the chief executive officers of all the banks held on January 5.

So far as long-term issues of American subsidiaries are concerned, I should hope and expect that there would be no abnormal recourse to the Canadian capital market but, if there were, the Government would have to decide what action to take. As I mentioned in my speech last Thursday, the United States new-issue market is open to American subsidiaries as well as to other Canadian companies. If abnormal borrowing in our capital market developed, this would merely push other Canadian borrowers into the new-issue market in the United States and so provide no benefit whatever to the United States balance of payments.

These are the general comments I wanted to make supplementary to the questions that I answered today. May I just say in conclusion that this is a time, as I said on an earlier occasion, for vigilance and watchfulness on the part of the Canadian Government and, indeed, on the part of Canadians. May I suggest, in the interests of Canada and in the interests of helping the United States overcome its problems, which have repercussions upon us in Canada, that it is also a time for restraint, for forbearance and for understanding.







## STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/6

### THE UNITED NATIONS -- SURVIVAL AND CHALLENGE

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the University Model United Nations, Montreal, February 9, 1966.

... I have been asked to speak to you on the general theme for your meetings -- "The United Nations -- Survival and Challenge". With public attention focused on proceedings in the Security Council in the past week, this is a theme which is particularly timely and important. The situation in Vietnam brings before the world the issues of war and peace which were of fundamental importance in the thinking of those who drafted the United Nations Charter in 1945. It reveals, in a particularly dramatic fashion, the problems preventing the proper functioning of the world organization.

It has, of course, been the desire of the Canadian Government that the United Nations would be able to act effectively to end the conflict in Vietnam. At the opening of the General Assembly session last September, I pointed out:

"Speaking for Canadians, I can say that it is a matter of deep concern that the United Nations has been prevented from effective action in Vietnam.... It is the duty of this Assembly to express clearly and forcefully the collective conviction of the United Nations that the war in Vietnam must be brought to a negotiated settlement."

In Parliament last week I stated that I wished that "there was a role for the United Nations, and that there was a greater opportunity for the Secretary-General to play even a more productive role in the matter than he has been able to play in spite of his heroic efforts".

We have welcomed the United Nations action, in bringing the matter before the Security Council, although we realize fully the major obstacles which at present prevent that agency from acting effectively. I hope that the attention that has been focused on United Nations involvement in this crisis will lead to renewed efforts to find a basis for the negotiation which is the only practicable means of settling this tragic war. I think that we are all increasingly aware of the validity of the observation made by U Thant in his annual report last summer, that "both the Vietnam situation and the disarmament impasse point once again to the imperative need for the United Nations to achieve universality of membership as soon as possible".



I do not intend, however, to comment further on this particular situation. I have discussed Vietnam in Parliament on several occasions in recent days and I should like to continue rather with an assessment of your main theme at the Model United Nations -- the challenge to the organization in many fields. There is some danger involved in considering the United Nations too much in the light of the crisis of the day, with the result that we miss the significance of gradual development on a broad front.

### Twenty Years After

Twenty years is a very brief span in the development of a great political institution. Our national parliaments have taken centuries to establish principles and rules for the orderly and democratic conduct of the nation's business. It is curious that on the international plane, and in an organization now composed of 117 independent countries, we have a tendency to demand instant perfection.

"We find it hard", as the Secretary-General of the United Nations said at the Commemorative Meeting in San Francisco last year, "to accept the time-lag between the formulation of an idea and its practical realization, and we are sometimes inclined to question the validity of an idea -- or even to reject it impatiently -- before it has had the chance to take root and grow."

I, for one, would agree with U Thant that it was never realistic to suppose that sovereign governments, in a relatively short period, would be able to live up to all the ideals and aims of the United Nations Charter. It seems obvious that, if we want a better system for peace and security, then years of long and hard work will be required to remove the many obstacles in the way.

The United Nations is not, and may never be, a world parliament. As long as the world is made up of independent sovereign states, the work of the United Nations will be affected by the clash of national interests. But this does not mean that we cannot set some limits to the rivalry of nations. It does not mean that we cannot direct that rivalry into more constructive channels of peaceful competition.

It is often forgotten that, only a few years after the United Nations was founded, the effect of the cold war and the East-West deadlock almost made it impossible for the organization to work as a force for peace. And yet, what has in fact happened in the last 15 years or so? We have, through a process of trial and error, found ways to keep fighting from breaking out in several parts of the world. Also, the United Nations, by serving as a place for discussion and an agency for the peaceful settlement of disputes, has itself helped a good deal to improve relations between East and West.

The lesson to be drawn from this is that it will take many years to make the United Nations into a really effective world organization. We shall have to find new ways of getting along with other countries. Every country will have to give up something of its own interests, in the interest of a better world.

## Challenges for the Future

Two of the most important challenges facing the United Nations are peace keeping and the problem of under-development. The overwhelming majority of United Nations member states are under-developed countries. So long as this condition persists, there cannot be any expectation of lasting peace and stability. We must help these countries to develop their economies. In so doing, we are making it easier for the United Nations to achieve peace in the world.

## Peace Keeping and Financing

Of course, peace keeping has been a special preoccupation of Canada's since the United Nations was founded.

All nations agree that the United Nations should improve its ability to keep the peace. The basic purpose of the organization is, after all, the maintenance of peace and security. In this field the effectiveness of the United Nations depends on the means it has available for action. Unfortunately, to date, peace-keeping operations have been organized without much advance planning. It has been impossible to reach agreement as to the ways in which these operations should in general be authorized, controlled and financed.

The Charter must, of course, be our starting-point. However, part of the trouble is that the United Nations has been called upon to deal with situations which were not clearly set forth in the Charter. Also, the idea of collective security in the Charter has undergone significant changes. The changes have been gradual; each has been made for a good reason at the time. We can see how this has happened. The enforcement provisions of Chapter VII of the Charter have in practice been abandoned in favour of recommendations. The General Assembly, and not just the Security Council, can start peace-keeping action in certain circumstances. The smaller and middle powers have been asked to help by using their armed forces.

One solution would be to revise the Charter but this, I fear, has no hope of success. U Thant has drawn attention to the fact that "situations involving the restoration or maintenance of international peace and security vary so considerably that it would be very difficult to attempt to rewrite the Charter to include absolutely clear and precise provisions to deal with every given situation to the satisfaction of all members".

I am personally confident that, with goodwill and co-operation, it should be possible to find an acceptable formula, within the terms of the Charter, to overcome the present difficulties that face the organization.

We in Canada regret that, in recent years, fewer states have accepted the principle of collective financial responsibility for the costs of peace-keeping operations. Nevertheless, in the dispute over this issue in the last couple of years, there was really no reasonable alternative for the United Nations but to come to terms with the strongly held views of the Soviet Union and France. Moreover, I should



hope that, in the future, for basically the same reasons, differences of opinion which may develop over issues of principle will not be pushed to the point where any important member or group of members might feel impelled to leave the organization.

It is essential that agreement be reached on rules to govern the conduct of future United Nations peace-keeping operations. I shall explain the Canadian approach to these questions.

First, we believe that the maximum possible sharing of the cost, preferably by collective assessment, is the fairest method of financing peace keeping. It should be the first method to be considered. Where it is decided to split up the costs of an operation among all members, this should be done according to a special scale which, among other things, takes account of the ability to pay of the developing countries.

Second, the functions and powers of the Security Council and of the General Assembly should be regarded as complementary. Either one can have a role to play. If the Security Council is unable to act because of disagreement amongst the great powers, then the General Assembly must be allowed to consider the matter and to recommend to governments what they should do if they so desire. It can be expected that the Assembly, before reaching any decision, will take into account views expressed in the Security Council.

Third, the United Nations must have the technical and military ability to act when required. This accounts for the Canadian interest in advance planning and the provision of stand-by forces for United Nations service.

There are many more things that must be looked into. For example, in the future the United Nations will have to pay much more attention to developing its ability as a conciliator in seeking solutions to the underlying political disputes which have led to conflict. In the past, United Nations intervention has too often tended to freeze a situation.

In the introduction to his last annual report on the work of the organization, U Thant pointed out that United Nations peace-keeping operations "have often seemed to possess the limitations of their own success, namely, that they have helped over long periods to contain and isolate explosive situations without really affecting the basic causes of conflict". He went on to suggest that the very fact that operations such as the United Nations Emergency Force in the Middle East (UNEF) have become an accepted and semi-permanent part of the way of life in these areas has created problems. It has tended to reduce the sense of urgency which might otherwise stimulate the parties concerned to search for a basic solution of their differences. This is no reflection on the conduct of these operations but, as the Secretary-General says, it is, nonetheless, a dilemma which all countries ought to study carefully in relation to both existing and future peace-keeping operations.

## The Challenge of Under-Development

I turn now to the second major problem confronting the United Nations -- the challenge of under-development.

The problem is so great that it is not easy to understand. The statistics reveal the shocking reality. Two-thirds of the world's population lives in under-developed countries which together command only one-sixth of the world's income. In this Model General Assembly, then, the overwhelming majority of student delegates will be representing countries with a per capita income of less than \$250, compared to the United States' per capita income of about \$3,000. There is a vast gap between the majority of states, which are poor or very poor, and a small group of industrially-developed, high-income countries.

As you know, at the start of the Sixties, the United Nations sponsored a programme called the Development Decade. The aim was for the under-developed countries, as a group, to reach a yearly rate of economic growth of 5 per cent. This rate of growth has not, in general, been achieved. When allowance is made for population growth, per capita income in about half the 80 under-developed countries which are members of the World Bank is rising by only 1 per cent a year or less. This means that those countries which are lagging behind can scarcely hope to reach a per capita income of \$170 annually by the year 2000.

In the words of the President of the World Bank (George D. Woods), the implications are plain and sobering:

"If present trends are allowed to continue, there will be no adequate improvement in living standards in vast areas of the globe for the balance of this century. Yet, over the same period, the richer countries will be substantially increasing their wealth."

The gap is, therefore, widening. The flow of international aid from the industrialized countries seems to have reached a plateau and is not rising. Tragically, the present trend is for the growth of the low-income countries slowly to lose momentum.

There are other and related problems -- population growth, the initial cost of becoming an industrial society, which is much higher than it was at the start of this century, and the high cost of debt service, which means that a poor country must spend much of its foreign exchange on debt repayment rather than investing in new productive development.

Although the picture is bleak there are certain hopeful aspects: --The rich nations have accepted a measure of responsibility to assist the development of the poor. In the industrialized countries, people are learning how to carry out aid programmes more efficiently. For example, in Canada we have reorganized our aid effort to bring greater knowledge and experience to bear on development problems. The Canadian aid effort has doubled in volume since 1963, and during the current year some \$250 million will have been made available in Canadian aid.



--Countries such as Canada are finding new and better ways to act in groups or to act individually in giving aid to under-developed countries. Consultative groups have been organized to co-ordinate the flow of aid and technical assistance to particular countries. These groups, in which Canada is participating, have proved their value in India and Pakistan.

--The United Nations, which we used to think of as a place where economic and social problems could only be discussed, has increasingly become a place where action is taken leading to change in the economic field. This development has been reflected in the establishment of a number of major assistance programmes. Different types of technical assistance have been combined under the new United Nations Development Programme; the World Food Programme has been established on a firm basis; and UNICEF is continuing its outstanding work to provide health, nutrition and welfare services for children in the under-developed nations. Again, there is a new attempt to link the ideas about more liberal trade policies with the ideas about international aid. This has led to the United Nations Conference on Trade and Development and a host of related bodies.

All this is to the good. It is clear, however, that very much more needs to be done and that our generation may well be judged on the success or failure of our efforts to reduce the disparity between the developed and the under-developed countries.

More aid must be made available to the under-developed countries and on better terms. To assist in meeting this need Canada recently introduced a new development-loan programme of \$50 million annually on terms as liberal as those offered by any country granting aid or by any international lending agency.

More aid, in the form of preliminary studies of the possibilities for economic development, will have to be made available through the United Nations. At a minimum, it is estimated that the present target of \$200 million annually for the United Nations Development Programme will have to be doubled over the next five years.

I can assure you that in Canada we intend to back these efforts. It is an immense challenge -- that of raising standards of living and opportunity through international co-operation. It is also an immense incentive to peace.

In conclusion, may I wish you well in your deliberations. The United Nations, it is true, did not create the international problems of today. It must, however, do something to help solve them if it is to justify the faith placed in it. The energy with which you carry out your work here will be a measure of your belief in the United Nations and your service to that higher ideal of a peaceful world with fair living standards and reasonable opportunities for all men....



# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 66/7

## A DEVELOPING COMMONWEALTH

Notes for a Speech by the Secretary of State for External Affairs, the Honourable Paul Martin, to the Ontario Association of Rural Municipalities, Toronto, February 14, 1966.

I should like to thank you, Mr. Chairman, for your invitation to be present at this banquet of the Ontario Association of Rural Municipalities. I should like to express my good wishes and those of the Government to the representatives of the rural municipalities. I take pleasure in paying tribute to the zeal with which officials both advance the welfare of their own municipalities and serve the nation generally by an enlightened interest in public affairs.

My own comments on public affairs this evening will deal with the topic "A Developing Commonwealth". I have chosen this topic because I believe that Canadians are sometimes concerned about conflict between Commonwealth nations, about reports of serious dissension over matters such as Rhodesia, about changes in the familiar patterns of Commonwealth activity. They may ask whether we are faced with a declining rather than a developing Commonwealth.

I do not propose to begin by trying to define what the Commonwealth means in general terms or to trace the development towards the present relations among Commonwealth nations. We may understand the present situation better if we examine one or two current or recent developments.

I have chosen some positive and welcome developments to begin with. Canada is taking important steps to develop its relations with Commonwealth members in the West Indies.

We in Canada have a long history of association with the West Indies, going back to the years before Confederation. Our present trade is regulated by an agreement which is more than 40 years old. There are strong ties in the past, and they have grown stronger in the present. We look forward in the future to even closer links with these territories as they take over the direction of their own affairs. In 1962 we welcomed as members of the Commonwealth Jamaica and Trinidad and Tobago and we look forward



to the accession of British Guiana to independence in May of this year. Three weeks ago, the Barbados Legislature completed the processes of deciding to seek independence, and I expect that a constitutional conference will be called this year. British Honduras has, I understand, comparable ambitions for the not-too-distant future. The other islands are progressing towards a wider measure of self-government.

We feel particularly close to the Commonwealth members in this Hemisphere because of the facts of geography and history. We are especially concerned that they should enjoy political stability, social progress and economic welfare. In anticipation of the coming of independence, Canada embarked in 1958 on a five-year programme of development assistance for the Commonwealth countries in the Caribbean. Since 1963 this programme has been enlarged and, as these countries work out their plans for the future, we are seeking new and improved ways of co-operating with them.

For some months we have been discussing with various of the Caribbean leaders the organization of a conference at which all aspects of relations between Canada and the West Indies might be reviewed. You will have noted that, when the Prime Minister paid official visits late last year to Jamaica and to Trinidad, the communiqués issued after his talks with Mr. Sangster and Dr. Williams referred to such a conference. Three weeks ago, a group of Canadian officials met with officials from the two independent countries and ten of the dependent territories to take preparatory steps towards the conference, which is to take place later this year. I am confident that it will do much to place our future relations on a sound and intimate footing. I shall not try to anticipate the results of the conference, but I know that Canadians all across the country share with me the hope and expectation that it will serve to strengthen further the Commonwealth as well as our relations with the West Indies.

I have started my remarks on the developing Commonwealth, Mr. Chairman, by referring to closer relations with the West Indies. You may ask how these developments are related to the central question of the position of the Commonwealth in world affairs. You may also ask whether we would not develop relations with regional neighbours whether the nations concerned had a Commonwealth heritage or not.

I would stress two points in answer to such questions. In the first place, the development of our relations with the West Indies provides an excellent illustration of the way in which the membership as a whole, or groups of nations in different areas within the Commonwealth, are co-operating in new projects of mutual benefit. The Commonwealth is no longer thought of only in terms of the preservation by individual nations in their relations with Britain, of what can logically remain after independence. Nations are making use of what they have in common as a basis for co-operation of a new type, in which any member can propose collective action.

In the second place, it is clear --- and we can take the West Indies as a good example --- that some common traditions, long-standing contacts and political affinity provide very helpful conditions for the development of relations of the type we have with non-Commonwealth nations as well. When we think of the crises and alarms of Caribbean affairs in recent years, we would agree that anything Canada can do, by virtue of its own association with some peoples in that area, to contribute to prosperity and political stability is well worth doing.

Now I should like to say something about the Lagos conference last month, at which Commonwealth representatives considered the Rhodesian situation. This was not the first time Rhodesia had been considered at a Commonwealth meeting. The readiness of Commonwealth leaders in 1964 to face the question of race relations and issue a declaration of principle on racial equality went far to ensure the continuation of the Commonwealth as a meaningful political institution. Last month the question was again faced in Lagos in an even more explosive form, and again the members displayed their adaptability and their readiness to use the association for constructive consultations. Canada took an important part in the conference, as you know. At the suggestion of our Prime Minister, consultations will continue in two committees, which will have several functions. They will consider sanctions against Rhodesia, aid to Zambia required in connection with the Rhodesian crises and the development of plans for Commonwealth assistance in the large-scale training programme for Rhodesian Africans which is likely to be launched after constitutional government is restored.

These committees provide an interesting example of new Commonwealth machinery devised to help deal with a particularly awkward problem.

Although, as I have pointed out, there is a significant movement away from this emphasis, for most members the most important factor in the Commonwealth is still their relations with Britain.

This is only natural, when you consider the very brief career of independence of many of them and the correspondingly short period for politically significant groups to draw distinctions between their relations with the Commonwealth and their relations with Britain. Indeed, this is an important reason why the Rhodesian crisis is also a Commonwealth crisis, since some African governments have questioned the determination of Britain to suppress the illegal Rhodesian regime and lay the basis for a government in Salisbury responsible to the majority.

However, the members are increasingly coming to look upon the Commonwealth as not only a link with Britain but also a forum for valuable consultation and action among widely scattered and diverse countries. The late Prime Minister of Nigeria had this wider appreciation and accordingly proposed the Lagos meeting. Although Ghana and Tanzania have severed relations with Britain at the call of the Organization of African Unity, President Nyerere at least has



expressed the hope that Tanzania's Commonwealth associations can be preserved. His appreciation of the Commonwealth for the relations it provides with such countries as Canada -- I remind you that we are helping to train his army and air force -- no doubt influenced his attitude.

I might add that Canada is trying to diminish the damage to the Commonwealth from the break in relations by looking after British interests in Tanzania and after Tanzanian interests in Britain.

The Rhodesian situation and the Lagos conference have been, therefore, severe tests of the continuing interest of many states in the Commonwealth association. If this association were declining and if attitudes were generally apathetic, a problem as great as the Rhodesian one would probably have lead to its abandonment by many states.

I am not overlooking what are still very considerable dangers to the Commonwealth inherent in the Rhodesian situation. What I should like to stress, however, is that African leaders who have been most critical of Britain and impatient over Rhodesia have nevertheless given due weight to the substantial and good features of the Commonwealth connection. In fact no country has left the Commonwealth on this issue.

I do not intend to list or comment on the many practical implications of Commonwealth membership. I would simply remind you, by way of current examples:

- (1) that by far the largest part of our expanding Canadian aid programme goes to Commonwealth countries, and that other developed members of the Commonwealth do a great deal to help the developing nations within its ranks;
- (2) that we are giving military aid also to several Commonwealth nations;
- (3) that, for the first time, a Secretariat was set up last year by the collective decision of members to promote co-operation and consultation (a Canadian is the Secretary-General);
- (4) that the Commonwealth Educational Scheme has promoted very significant contacts between Commonwealth nations and that new cultural exchanges have been inaugurated only last year;
- (5) that trade preferences remain from earlier years and that, in many ways not always well known throughout the world, there are clear economic and technical advantages to remaining within the world-wide framework of specialized institutions which originated in an Empire and survived to serve a Commonwealth;

(6) that, in spite of reluctance in earlier years to consider joint measures in external affairs and in spite of the dissensions about the Rhodesian situation, there has been a significant agreement on action to deal with the illegal declaration of independence by the Smith Government.

It would be wrong to think of the Commonwealth as an association providing only for occasional consultation. On the basis of a new relation among its members, it is engaging in collective action in support of certain common interests. There are some examples which I have chosen, Mr. Chairman, to stress the substance of Commonwealth connections.

There must be compelling ideas also to guide the development of these activities. The most important political feature of the Commonwealth is its multi-racial character. By providing important links among many races, among nations in different parts of the world, and among economically-advanced and developing countries, the Commonwealth supports the United Nations in its work of universal peace making and economic and social development. The Commonwealth nations can scarcely hope to be free from the conflicts of interest found elsewhere in the world. They do not form an alliance or a tightly-knit regional group. They are unlikely to arrive at similar viewpoints on many matters of world affairs. Nevertheless, by means of their unique connections, they are able to do many good things -- good for themselves and good for the world.

This broadening of the racial basis of the Commonwealth has not ended the natural adherence of those of British descent to certain traditions. It has opened to them and to others wider ideas of political and cultural growth. This is particularly important for Canada. The chief external associations of the country must be meaningful to all the main groups in our population. I am glad that French-speaking Canadians and others not of British descent can benefit from scholarships which could take them to almost any part of a world-wide association of nations, and that students from elsewhere in the Commonwealth can come here to benefit from our French-language, as well as our English-language, culture. It is significant in this connection that at the Third Commonwealth Education Conference, held in Ottawa in 1964, the conference chairman was the Minister of Education of the Province of Quebec, the Honourable Paul Gérin-Lajoie.

It is also significant that, in recent years, as we have helped in the development of the Commonwealth, we have also extended and deepened our relations with France and other French-speaking nations. Many of the conditions of our closer relations with these nations are different from those on which our Commonwealth connections are based. Nevertheless, some basic objectives are the same. We seek to preserve, deepen and apply to the broad purposes of our external policy traditional associations which are particularly meaningful to Canadians.

In trying to analyze the nature of the Commonwealth or predict its future in world affairs, we perhaps create unnecessary complications. In conclusion, Mr. Chairman, I would suggest that the role of



the developing Commonwealth in world affairs at present is not so difficult to assess. We must ask ourselves whether what is now being done or sought for in the name of the Commonwealth is worth while. I believe that, by any standard of national or international interest, the answer is affirmative.

I do not know how, in the more distant future, the Commonwealth may develop. What I do know is that, in recent years, since the multi-racial Commonwealth we now know has come into existence, the Commonwealth idea has been a beneficial one in the world. The decisions of the nations which achieved independence to retain important parts of an association they valued were taken in the light of a far-sighted estimate of their national interests. Britain was equally far-sighted in granting independence under conditions of responsibility and goodwill.

We have every reason in Canada to support relations born out of political sanity and commonsense. That is why we are developing relations with West Indian neighbours. That is why the Prime Minister went to Lagos to help achieve fruitful results in consultation, results in which his own efforts played an important part. That is why we are co-operating with others to bring to an end a situation in Rhodesia which threatens racial understanding in this great association of nations.

I am proud as a member of the Canadian Government to assist in the growth of an association of nations guided by generous political ideals. I am confident that the Canadian people share my pride.

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CANADA

## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 66/8

### CANADA AND AFRICA

Address by the Honourable Paul Martin, Secretary of State for External Affairs, to the Federation of Women Teachers' Association of Ontario, Toronto, February 19, 1966.

I am very pleased, Madame President, to have been asked to speak at the annual conference of the Federation of Women Teachers' Associations of Ontario. I understand that you have based your discussions on the theme "The World -- Your Neighbourhood" and that you want to hear something of Canada's role in world affairs. It is always a pleasure for me as Minister of External Affairs to meet Canadians of various professions with whom I can share a deep interest in other countries and in our own country's international activities.

I am particularly aware of your responsibility in explaining developments in the contemporary world to children. I know, from meetings with many of the people concerned, how many Canadian teachers are making a contribution to education elsewhere by taking part in programmes of economic and social assistance in developing countries. I have, therefore, chosen to speak on Canada and Africa, because I consider this to be a major theme of current interest.

Developments in Africa provide some of the most startling examples of political and social change which we have witnessed in this century. Some of this change was foreseen. Jan Christian Smuts, the eminent South African leader of an earlier period, said in 1929:

"The peoples of Africa are infected with the vague unrest which has universally followed the Great War. For better or worse the old Africa is gone and the white races must face the new situation which they have themselves created in this continent. Africa is going to be one of the major problems of the twentieth century, and the repercussions of that problem on the rest of the world may be very far-reaching yet."

Even to mention Smuts is a vivid reminder of how much has changed in Africa generally and in its relations with the rest of the world. Thirty-two nations have achieved independence in the continent since 1945. If our thoughts are still coloured by the memories of empires and colonies, then we must make a particular effort to rid ourselves of old assumptions. There are new voices to listen to and to understand.



Smuts spoke of problems. Perhaps we use the word too often. It is scarcely fair to African nations, considering the crises and conflicts elsewhere, to present only the difficulties and dangers of political change in the continent. Haile Selassie, the monarch of the proud and ancient land of Ethiopia, has said:

"Africa, together with the rest of the non-aligned world, has emerged as a positive force for peace and harmony in our planet."

There can be no doubt as to the desire of African leaders to contribute to the welfare of the world community as a whole through the United Nations and other agencies of international action. Much as they welcome co-operation with nations elsewhere, they do not wish to have their continent become again a focal point for rivalries or for foreign political involvement because of some remaining colonial and racial problems.

Leaders of newly-independent states assert an African destiny. Kenneth Kuanda, the President of Zambia, has pointed out:

"We definitely shall want to learn from both the West and the East. But we shall reject in them that which we shall consider unsuited to our way of life; for, although we hunger and thirst for modern knowledge, we consider it only as a useful tool to help us rediscover and rebuild our own."

Sékou Touré, the President of Guinea, has given equal emphasis to this point:

"What must be constructed harmoniously and rapidly is an Africa that is authentically African. Africa has her own needs, concepts and customs. She does not seek to deck herself out in borrowed clothing that does not fit."

These are some of the voices of contemporary Africa. Perhaps the declarations and actions of these and other leaders explain the impression made on the former United Nations Secretary-General, Dag Hammarskjöld, of "the vitality of the present generation and the present leaders of the African world". Hammarskjöld, who was a perceptive and deeply-cultured observer of nations, spoke of an African renaissance.

In view of the very great differences between various parts of this immense continent, one cannot speak easily in general terms about Africa. We can only select developments or difficulties which are central in the concerns of some or most nations and which will serve as background to what is said about Canadian activities or about the currently dangerous situation in Rhodesia.

Economic development is probably the greatest and the most widely felt need. An average per capita income of about 33 cents a day can never support the aspirations of African leaders for justice, political stability and cultural expression. There is also the need to develop political institutions in the light of experience. Recent

dramatic developments in Africa, including a number of military coup d'états, should not conceal the considerable achievements of independent African countries in the few years of their existence. The Organization of African Unity is a striking achievement of the African aim of unity and diversity.

There are the continuing international tensions arising out of the maintenance of colonial control in some areas. There are the specially difficult problems presented by conditions in South Africa and Rhodesia. There are problems of national unity within states where traditional groupings scarcely fit within boundaries laid down by colonial powers. The President of Tanzania, Julius Nyerere, has referred to the independence movement having begun "to put the flesh of emotional unity on the skeleton of legal unity". He has warned that "our boundaries are so absurd that they must be regarded as sacrosanct".

I have tried to provide a few interesting glimpses into a vast subject, in the hope of stimulating curiosity about something new. We have to experience some of the excitement of rediscovery. We have to develop an interest in studying a new relation between Africa and other continents. We must feel some sympathy with the patience, gaiety, cheerful courage and ability of the African peoples as they re-create their societies. Otherwise the facts of Canadian relations with African nations and the political intricacies of a crisis become dull or confusing.

### Canadian Activities

Against that background, the significance of the steady growth of Canadian relations with African nations in recent years may become clearer. It was not so long ago that, except for activities of the churches, one could point to few examples of sustained or general contacts in this field. Now we can point to significant contacts in several fields.

Members of the Federation of Women Teachers' Associations may be aware chiefly of technical, educational and some other types of assistance to African nations. Canada began a separate programme of assistance for Commonwealth countries in Africa in 1961. The funds allocated for this assistance last year were almost three times those available at the beginning; 752 Commonwealth African students have received or are receiving training in Canadian institutions and 573 Canadian teachers and technical advisers have served or are serving in African assignments. Although the main emphasis has been on educational and technical assistance, some work has been done on capital projects, of which an irrigation and land-reclamation project in Ghana is one example. For the first time, there has been an allocation of special development loans on easy terms.

There is a separate programme for countries in Africa which were formerly French or Belgian dependent territories and in which French is still used as a language. Such assistance began in 1961, with an allocation of \$300,000 for educational work only, and now has an allocation of \$7,500,000 for a more extensive programme. There



are 156 French-speaking Canadians in 13 French-language countries of Africa, and 54 trainees and students from these countries are in Canadian educational institutions. Capital projects are under study in these countries also.

It is not necessary to provide you with more facts and figures to establish the relevance of these programmes to your main theme "The World - Your Neighbourhood". Many African children will have been educated for life in their own communities and will have learned about other countries because of the help given by some of your colleagues in developing educational facilities.

Many African communities will eventually feel the benefits of economic development in which Canadian specialists have played a part. At senior levels in African countries, there will be men and women who have been trained in and influenced by Canada. An important part of our relations with Africa now consists of these contacts, which have a continuing human value over and above any monetary or technological value.

You will have noted that our two programmes of economic assistance in Africa are based on links of particular importance in Canadian external policy - in the first place with Commonwealth nations, in the second with nations using French. We have close links with Commonwealth nations apart entirely from economic assistance. We have been deepening our relation in recent years with France, which continues to have a close association with former colonies. These programmes should help, therefore, to create lasting ties of some importance with a majority of African states.

I have, of course, been referring to assistance given under official programmes. One very important sector of our relations with Africa consists of activities by private organizations. I have already mentioned the churches. No doubt many of you here tonight are also familiar with the devoted effort of other organizations. I am referring, for example, to the Canadian University Service Overseas, to "Operations Crossroads Africa", and to other private organizations operating abroad or helping African students here in Canada. They are doing work of the greatest importance for Africa and for Canada.

As Canadian interests have expanded in Africa, it has been necessary to establish or plan new diplomatic missions. Two years from now, we shall have 13 missions in Africa; five of these will be in the French-speaking nations, five in Commonwealth countries and three in other countries. These offices will have aid, consular, trade, cultural and political responsibilities. In addition to the interests and activities I have already mentioned, we are also attempting to expand trade and we are giving some assistance in military training to several Commonwealth countries.

The political necessity of expanding our relations with African nations is clear. It is in the interest of Canada and other free nations that Africa should pursue its own destiny free of authoritarian ideologies, of a direct great-power clash of interest and of access to nuclear weapons. The African nations command many votes

in the United Nations. They have taken a close interest in its possibilities for peace and have rapidly become experienced in the collective diplomacy and in the development of world-wide contacts which the organization affords. Political interests demand effective means of diplomatic consultation for Commonwealth purposes also.

In the course of a few years, Canada has assisted in the United Nations operation in the Congo and is now taking part in the "oil-lift" to Zambia, necessitated by the Rhodesian situation. We have accepted involvement in operations taking place in Africa which have world-wide political significance. The Canadian interest in contemporary Africa is many-sided and permanent.

### Rhodesia

In the concluding section of my remarks, I shall make some comments on the Rhodesian situation. It occupies a central position in our consideration of Canada and Africa. It is an African crisis, a Commonwealth crisis, and could easily develop into a major world crisis. It has all the elements of fundamental importance, in a much wider sense, for many parts of Africa - race relations, transition from colonial to independent status, economic, educational and political problems.

I shall assume that you know from the fairly detailed accounts which have appeared in the press what we have done since the Smith Government in Rhodesia issued its illegal declaration of independence in November. We now have a total ban on Rhodesian imports and exports, with certain very limited exceptions. We have acted with Britain and other nations to exert sufficient economic pressure on the supporters of the Smith Government to bring about a return to constitutional government.

We opposed the unilateral declaration of independence because it was designed to perpetuate a system of racial inequality and discrimination wholly inconsistent with Canadian ideals. It was also wholly inconsistent with the basic principle of the new multi-racial Commonwealth.

Canada opposed the illegal declaration because we believed that Rhodesia should not become independent on the basis of a constitution which had been drawn up in 1961, unless that constitution were to be changed in a number of ways. In theory, this constitution could eventually produce majority rule in the country when sufficient Africans reached the required property and educational level to obtain the franchise for election to 50 out of the 65 seats in the Rhodesian Legislative Assembly. In fact, the educational and property qualifications are very high in terms of conditions in Rhodesia and very few Africans can qualify to vote for these 50 seats.

Mr. Smith and his followers have made it plain that they do not expect Africans to become the majority of the electorate in their lifetime. In other words, they wish to see perpetuated a system of racial inequality whereby one-sixteenth of the population exercises effective political power over the remaining fifteen-sixteenths of the population.



Here is the heart of the Rhodesian problem. Our integrity as an independent nation committed to certain ideals in human affairs, our position in the United Nations and our position in the Commonwealth required us to take a stand. We did take a stand on behalf of racial equality and political justice. How could we proclaim to the new leaders of Africa and to others our belief in political freedom and racial justice everywhere if we ignored the flagrant breach of these principles in Rhodesia?

The Rhodesian situation is, of course, a complicated one. There are questions of means to obtain the final objectives. There are points on which there have been dissension and misunderstanding, both in Canada and elsewhere.

In the first place, there should be no misunderstanding about the fact that the declaration of independence made by the Smith Government was illegal. It was not within the powers of the Rhodesian Government to make such a declaration. Such a declaration could not be made without the agreement of the British Parliament. From the beginning, when the Smith régime first threatened to make an unilateral declaration of independence, the Canadian Government made its opposition to an illegal declaration very clear.

Then there have been suggestions that Britain did not do enough to avert the declaration and the ensuing crisis. In fact, successive British Governments explored every possibility of compromise. The Smith Government did not take the final step because of a British failure to negotiate but because they were unwilling to accept the basic British position. The British position was that independence could only be granted on a basis which would assure the majority of the population of political representation within a reasonably short period rather than the very long and indefinite period desired by the Smith Government. That government knew that the consent of the people of Rhodesia as a whole required by Britain would not be given to independence based on the 1961 constitution as it stood.

It has been suggested by some critics that Commonwealth or other countries do not have the right to tell Britain what to do about Rhodesia since it is solely a British constitutional responsibility. I agree. We do not have the right to tell Britain what to do. We are not telling Britain what to do. At the Lagos conference of Commonwealth prime ministers in January, the communiqué describing the discussions made the essential point clearly and forcefully:

"The Prime Ministers reaffirmed that the authority and responsibility for guiding Rhodesia to independence rested with Britain but acknowledged that the problem was of wider concern to Africa, the Commonwealth and the world."

We have acted as a member of the Commonwealth in concert with Britain and other members of the Commonwealth and through Commonwealth institutions, including two new ones which are the result of Canadian initiative. In our economic measures we have acted, together with other trading countries, including the U.S.A. and Western European nations, in compliance with the Security Council resolution of

November 20. This is in accordance with the basic Canadian policy of strong support for the United Nations in situations with grave international repercussions.

Our desire to help create the practical conditions for effective action by Britain is also clearly manifested in the airlift of oil to Zambia in which we are now participating. Zambia's economy is closely linked to that of Rhodesia and economic measures against Rhodesia have had to be taken with an eye on the consequences for that country.

There has also been much debate over the relative merits of economic sanctions and force as means of settling the problem. The British have not precluded the use of force to restore law and order in Rhodesia but they are unwilling to use force in existing circumstances. We agree with them. Force should always be avoided if this is at all possible and, in this situation, the use of force could have explosive effects on the whole of Africa and grave international repercussions. The question of using force will not arise if economic sanctions can be made to work.

Some people suggest that the life of the illegal régime is being unnecessarily prolonged because the white population fear that the restoration of constitutional government will lead to an ill-prepared and unstable African majority in Rhodesia. British assurances make it clear that these fears are unfounded. Prime Minister Wilson has pledged his Government to the attainment of a "just and democratic society in which full equality of opportunity is assured, racial discrimination is removed and the rights of Europeans and Africans alike are safeguarded". On this and other occasions, Mr. Wilson has made it plain that a very careful, step-by-step period of preparation would be undertaken before majority rule and independence, to ensure a successful launching of the new state, in which there would be an important role for white as well as black Africans. Instead of a government based on discrimination, there would be a government based on racial co-operation.

### Conclusion

There are some of the questions currently of concern to the Canadian Government and relevant to your theme "The World - Your Neighbourhood". I have tried to preserve some balance between the complex issues of a situation such as the Rhodesian one, which can change from day to day, and the broader perspective of African developments and our relations to them.

I have many opportunities to meet African leaders and diplomatic representatives, particularly at meetings of the United Nations. I have great sympathy for their idealism, their generous commitment to good causes in the world. There is no doubt in my mind that Canadian relations with African nations will prosper. We shall, I hope, play a useful part in the economic development which they so ardently desire. We shall work with them in the Commonwealth and in the United Nations to achieve the peace, goodwill and understanding between nations and races which we all desire.

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# STATEMENTS AND SPEECHES

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## CANADA'S ROLE IN EAST-WEST RELATIONS

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, at Carleton University, Ottawa, March 11, 1966.

I should like to express my appreciation, Mr. Chairman, to you and to Carleton University for the invitation to conclude the lecture series on "The Communist States and the West" by speaking on "Canada's Role in East-West Relations".

Anyone who has followed this series of lectures will already have asked himself what is the significance for a country like Canada of the far-reaching changes in the nature of world politics which my predecessors on this platform have analyzed. So far have these changes gone, in fact, that it is even legitimate to ask whether there is still such a thing as "East-West Relations". Is there still a contest between two camps, each arrayed around one of the super-powers, with a mass of non-aligned nations looking on, sometimes on the sidelines, sometimes caught in the cross-fire?

A few years ago this was the world scene. The expression "East-West Relations" in practice covered everything of real importance in international affairs. That bipolarity has gone, and we find ourselves today in a much more complicated political and economic and military environment. In such a situation of relative fluidity, it is clear that the smaller powers, including Canada, have greater scope both for the pursuit of their own national interests, which are unique by definition, and for the exercise of constructive initiative in search of solutions to problems of concern to the world as a whole.

This scope I intend to explore tonight. In doing so, I shall argue that the growth of pluralism does not necessarily mean the dissolution of "East" and "West" as we have known them, but rather the adoption by the Soviet Union and the Communist states closest to it (China, with its friends is perhaps another matter) of a pattern of international relations similar to that of the rest of the world. This I believe is likely to be accompanied by the gradual abandonment in practice of world revolution as an instrument of the policy of Communist states. The end result of this tendency, if it is maintained, would not necessarily be the disappearance of rivalry between the Communist and non-Communist worlds but the removal of that rivalry from the sphere of ideology and related military moves to a more rational and stable plane.



It is on such a plane that Canada can best play a creative role. But how close are we to it? Clearly, we have not yet reached a point of stable international balance, let alone international harmony. Evolution in that direction has gone perhaps far enough to demand adaptation of our policies, but we must not confuse identification of a tendency with its fulfillment.

Let us examine the nature of that evolution as it affects the Communist world. It is essential to define one's own view of that evolution before suggesting the policy implications for Canada and other Western countries. As I have said, the monolithic unity of the Stalin era is obviously long gone. The Sino-Soviet rift seems irreparable, short of a profound change of policy amounting to a de facto surrender by one side or the other to the ascendancy of its rival. The rift has been a lever which certain East European Communist countries, notably Roumania, and some non-ruling Communist parties, have used to enlarge somewhat the area of their independence from Soviet control.

This independence is real, if as yet sharply limited. It extends to some national cultural expression, with modest affirmation on its distinctness, especially from that of Russia; to some economic autonomy, with assertion of limited national control over planning; to a degree of divergency over political issues within the Communist world; and to the development of intellectual and trade relations with the West.

But it is to be noted that this independence stops short of any significant departure from the general line of Communist policy toward the non-Communist world. The most that can be said is that, having smaller resources and fewer vested interests elsewhere in the world than the Soviet Union itself, the East European countries are able to reap many of the advantages of the strategy of peaceful coexistence in its positive aspects, while avoiding serious involvement in those aspects which entail risks of conflict with the West, and specifically the strategy of wars of national liberation.

This is by no means the same as saying that the political unity of the Soviet camp has been seriously undermined. Neither the East European leaders nor the Soviet Union are prepared to allow that. The East European leaders seek to enlist for themselves the same support the regimes in the Soviet Union and Yugoslavia enjoy, through the same appeal to nationalist sentiment which those regimes can make. Originally imposed from outside by Soviet bayonets, they are trying within the limits of strict adherence to the basic tenets of Marxist ideology to legitimize themselves by identifying their regimes with national interests, as far as they can. Because of their economic insufficiencies the most pressing of these are economic. But there is no necessary correlation between economic reform and political reform domestically, nor between variety of economic system and variety of political approach to the outside world.

Clearly, therefore, polycentrism in the Warsaw Pact area has not destroyed the cohesiveness or the essential Communism of the regimes. This is not surprising. The appeal to national sentiment was never intended to achieve this result. On the contrary, by attempting to strengthen the

domestic position of the regimes its basic aim was to consolidate their existing alignment, and this because the ultimate endurance of those regimes depends upon the support of the Soviet Union. All the signs point to precisely this strengthening -- the substitution of an elastic and therefore resilient form of unity for a rigid and therefore brittle discipline. The Russians' own term "socialist commonwealth" may perhaps be taking on substance.

It is worth examining at this point the question of ideology and its importance in the Communist world. This is not purely an academic question but is close to the heart of most of the problems with which the rest of the world must cope in its dealings with the Communist countries. Ideology is a motive, an instrument and a justification of the policy of Communist governments, but it is not the only one. At various times it may be more or less flexible, and its flexibility, the extent to which it will be adapted or revised, will be determined by a whole series of other factors, ranging from the psychological to the political, economic and geographical circumstances in which a particular group of Communist leaders find themselves.

How does this relate to the external policy of Communist states? Among Communist states, the pluralism of which I have spoken is obvious evidence of the capacity of Communist ideology to adapt itself to changing circumstances. The acknowledgement that there is more than one road to socialism has been extracted from the Soviet leadership by difficult stages and, until recent years, only painfully. Yugoslavia in 1948 and, even more, Hungary in 1956, show just how painfully. The acknowledgement once made, however, its consequences have multiplied. The old conception of one universal truth good for all times and all places has had to be abandoned where it can neither be maintained nor even, as in most of Africa and Asia, imposed in the first place.

But this policy does not represent a non-ideological or anti-ideological departure as a result of some putative conflict between ideology and the national interest of the U.S.S.R. I shall not go except indirectly into the ideological justification for it. It is more instructive to look at the motivation, and the extent to which it may be adjudged ideological.

The West in general is well content if countries in Africa and Asia remain independent and non-aligned. After a few disastrous experiences, the U.S.S.R. has decided that nothing is to be gained by direct attempts at Communization. Its policy has evolved in at least three distinct phases during the post-Stalin era. In the first four or five years up to 1959 the major thrust was toward the exploitation of anti-colonialism by direct external support of the new governments, without much concern about their domestic policies, in the belief that aid would have a decisive effect on their policies.

Anti-Communist measures taken in 1958-59 both in the U.A.R. and in India were a clear demonstration that this would not work, and the sudden emergence of large numbers of independent African states in 1960-61 made it imperative to devise a new approach. This was that of the "national democracy", wherein the "most advanced section of the working class", i.e. the Communists, where they existed, should ally themselves and co-operate with the nationalist ruling party in order to press on with the revolution which had only begun with the achievement of political independence.



Unfortunately for this line, only one or two of those countries in which the nationalists displayed really radical militancy were equipped with Communist parties, and they showed no particular anxiety to accept the Communists, who, as in Algeria, had done little or nothing to contribute to the achievement of independence, as allies. The others were certainly not prepared to allow the formation of Communist parties which would tend to divide a national unity which was often hard-won. Accordingly, the policy changed again. The third phase, which emerged during 1963, after the outlawing of the Algerian Communist Party, was that of liquidationism - the decision that Communists should work from within to promote the economic revolution, put their countries on the "non-capitalist path", and eventually succeed to the leadership.

Here we have an evolution away from a situation in which the U.S.S.R. worked in a largely non-ideological fashion through the cultivation of direct contacts with Afro-Asian governments regardless of their internal policy. The present Soviet policy, although it was arrived at under the pressure of tactical necessity, is nevertheless based firmly on an ideological preconception -- that social evolution of a non-capitalist kind is bound to be toward the Communist pattern, that the logic of history, in short, will lead the countries of the third world one by one into the Communist camp.

I have dwelt on the ideological question because I wanted to bring out this point. Ideological presuppositions determine policy choices both in Communist countries and the West. The main difference is that our ideology - or ideologies - are a good deal less constricting in the choices they permit us to perceive, or to make when we do perceive them. Bound by their "scientific" world views, the Communists, whether Soviet or Chinese in orientation, are united in the view that non-alignment is an historical dead end. The U.S.S.R. holds that it is a way-station on the road from colonialism to Communism. The Chinese reject it out of hand as impossible. In practice this does not prevent them from welcoming the rejection of Western alignment which it entails, but they do so faute de mieux. The difference between the two is an aspect of their different approaches to the question of peaceful coexistence.

Any discussion of relations between the Communist states and the West hinges on the meaning of "peaceful coexistence," as this series of lectures has amply demonstrated. The Soviet Union is fond of saying that its policy has always been one of peaceful coexistence, ever since the days of Lenin. I want now to explore what sort of relation the Soviet Union and its allies, now they can no longer be properly called satellites, believe themselves to be conducting with us.

In the first place, we can probably take Soviet assurances at face value -- in peaceful coexistence, war between states is to be avoided. Other forms of war, namely national-liberation war, are not and, in fact, form an integral part of the policy of peaceful coexistence. The reasoning behind this is that the power of the Soviet Union and its allies is now such as to deter any attack by the "imperialists" on them. The existence of this power, it is claimed, both encourages revolutionary forces elsewhere to struggle for their freedom and inhibits the deployment of the full strength of "imperialism" against them. The support of the Communist camp will ensure the success of that struggle and the magnetism of its economic success will draw the liberated peoples inevitably into the Communist orbit.

There is no reason to doubt that this is what the Soviet leaders expect to happen, indeed believe is happening. Their justification of the current form of the policy of peaceful coexistence against its critics, notably the Chinese, lays emphasis on its militant aspects, and the execution of the policy itself, paradoxically enough at present, requires a more militant approach marginally in order to buttress the central premise that the success of Communism in the long term can come about through peaceful means.

The strategy of national liberation war is an integral part of peaceful coexistence, as the Soviet Union sees it. The success claimed for it justifies the policy whereby the Soviet Union can benefit from the advantages of a peaceful relation (more or less close - as the years since 1960 have shown) with the West, while the cause of world revolution progresses more or less by its own momentum. The parallel with Stalin's policy, whereby the prime duty of all other Communists was to contribute to the defence and development of the U.S.S.R. comes readily to mind. There is no particular reason, however, to think that the U.S.S.R. has a consistent policy toward violent revolutionary outbreaks, or necessarily has a hand in them when they occur. This is a matter of tactics. Thus the support, measured though it is, which the Soviet Government has given to North Vietnam and the NLF of South Vietnam since the end of 1964 differs from the relative indifference shown by Khrushchov before his fall, and differs again from the apparent reluctance of the Soviet Union to encourage armed insurgency in Latin America. In each case, however, confidence in Communist victory eventually underlies the approach adopted. There is no disposition to exploit crises in areas where the U.S.S.R. might become directly and dangerously involved in the consequences, no inclination to force the pace in areas where Communist influence may be expected to grow without incurring the risks of a violent upheaval.

But, whatever tactics the Soviet Union may employ in a particular situation, its present leadership asserts that "coexistence is indivisible". This slogan, used in criticism of United States Vietnam policy, is put forward as a warning that the United States cannot expect good relations with the U.S.S.R. while it is carrying on a war with another Communist country. Its meaning in fact goes beyond that. What the slogan means is precisely what it says: coexistence is not an acceptable policy for the Soviet Union if "national liberation struggles", as it understands them, cannot be carried on.

It is reasonable to ask why the U.S.S.R. should want to tie itself to revolutionary movements in various parts of the world which it cannot always control and which might embroil it in conflicts with Western countries with which it is in its own best interests to cultivate normal relations.

The general line as at present pursued by the Soviet Union, however, does give priority to the direct exercise of state power in international relations over its indirect exercise through support and manipulation of national liberation struggles. Having greater power than China, the Soviet Union is less dependent on the exploitation of such struggles to promote its objectives than is China. The constructive and skilful exercise of diplomacy at Tashkent advanced the Soviet Union's cause in a manner which does it credit.



If this approach were to come to typify Soviet foreign policy we should have less to fear from its advancement. This is certainly the most striking example we have yet seen of the Soviet use of state power for peaceful purposes.

Another part of the answer is that official Soviet doctrine holds that as a corollary of the decisive strength of the Communist world in the present stage of international relations, the "imperialist" world has gone over to the counter-offensive. Seeing their power inexorably slipping away from them, the "imperialists" are said to be turning desperately to military means to retain it. It is in these terms that events in the Congo, the Dominican Republic, Vietnam and sometimes Indonesia are accounted for. In these circumstances, the U.S.S.R. maintains that it has no choice, it is its 'sacred duty' to give moral and material assistance to "peoples fighting for freedom and independence". The mix of moral with material, as we have seen, varies nevertheless according to the overriding interests of the U.S.S.R.

Finally, and this is a point of very special interest, the U.S.S.R. and its allies are inhibited from acknowledging the primacy of their national interests as states over the world revolutionary role they have traditionally assumed. This inhibition goes very deep. In the words of Raymond Aron, the Soviet Union "does not wish to disavow the ideocratic nature of its stage, nor can it do so. It will not admit to being a state 'like any other state', with national interests, for this would undermine the foundations of the regime".

Here we are back at the question of the role of ideology in Soviet policy. From the very beginning, its first and major function has been legitimization; the Soviet regime rests its claim to the exclusive loyalty of its people fundamentally on its revolutionary mission, and this has been preached incessantly for nearly 50 years. Unable to maintain with any hope of success that Soviet society is yet the best of all possible societies in a material sense, it has relied ultimately on its claim to moral superiority, and this has meant its claim to be fighting for the oppressed of all the world. As the revolutionary era of the U.S.S.R. itself slips into the past and popular ardour cools, the regime seeks increasingly to keep the spirit alive by identification first with Cuba, then with Vietnam.

It may thus be argued that the continuance of the Soviet system in its traditional form depends upon the maintenance of at least the appearance of world revolutionary leadership. And appearance might be enough, were it not for the determination of the Chinese to expose what they consider the betrayal of the world revolutionary cause by the revisionism of the Soviet leaders. This challenge the Soviet Union finds intolerable, and this is the remaining reason, and some would argue the most compelling reason, why the U.S.S.R. at this time cannot consult only that national interest which seems to dictate an accommodation with the West but must continue, in deeds as well as words, to try to make good its claim to leadership of a world revolutionary movement.

Returning to the Soviet Union and its allies, then, it is evident that the pluralistic but still basically united "East" is faced with a set of apparently contradictory choices in foreign policy. On the one hand, the perpetuation of its own social and political system and the retention of control over the international Communist movement, a weapon which has always been considered essential to the eventual triumph of that system, as well as a

basic national interest of the U.S.S.R., seem to demand a continuing commitment to a strategy which entails a constant danger of collision with the West.

On the other hand, the overriding need to avoid such a collision, with its danger of nuclear catastrophe, the need to find a solution to the problems of nuclear proliferation, and the necessity to resist the Chinese challenge - all these seem to demand accommodation with the West, and, therefore, relinquishment of a revolutionary role.

The solution which is apparently being tried is interesting and could be both disturbing and encouraging from the Western point of view. I prefer on the whole to regard it as encouraging. This development, which is logical, and would scarcely be remarkable in the policy of another country, is the increasing differentiation shown by the Soviet Union in its policy toward Western countries. If the revolutionary imperative prevents an accommodation with the West in general, it does not prevent accommodations with certain Western states in particular, and some of the benefits of détente can be retained even at a time when the most important détente, that with the United States, is in suspense because of the revolutionary imperative.

It would be a mistake to treat this development purely as a device to enable the U.S.S.R. to make the best of both worlds. There are clearly other advantages the U.S.S.R. may hope to derive from such a policy -- most obviously, perhaps, to divide the Western alliance, "to take advantage", as the journal Kommunist puts it, "of the contradictions in the imperialist camp in the interests of the U.S.S.R. and socialism". It is in this respect that this Soviet policy may be thought disturbing. Being both more subtle and more realistic, and at the same time ostensibly no less antagonistic, it confronts us with a more complex problem of the best response. As I have said, however, I judge this evolution to be encouraging, not only because I do not believe the unity of the Western alliance will be subverted by it, and because I know we are capable of finding the appropriate response, but also for the simple reason that any increase of realism is a contribution to the long-term understandings we seek.

Let me be more specific about the differentiation of Soviet policy towards the West. The best known example is of course the manifest Soviet desire to cultivate the friendship of France. The Soviet Union is also cultivating friendly relations with the Scandinavian countries, Japan and Canada. The significance of these should not be exaggerated. They are thrown into greater relief by the relative coolness of the Soviet attitude toward the United States, Britain and West Germany. They are, nevertheless, illustrative of Soviet recognition not only of the political but of the economic necessity of keeping its lines open to the other industrial nations of the world. This is yet another imperative, one which has come into play with greater force as it has become clearer that the Soviet economy is desperately ill-equipped to meet the social demands of the second half of the twentieth century.



It takes two to conduct friendly relations, and what is Canada's position vis-à-vis the U.S.S.R.? If the main lines of Soviet policy are formulated by leaders having a world view basically inimical to our own, if peaceful coexistence is a device to immobilize the West while national liberation wars gradually consume the rest of the non-Communist world, would it be short-sighted for us to welcome the opportunity to establish relations on a sane and rational footing with the Communist world?

I have, I think, said enough about our judgment of the Soviet world view to demonstrate why we do not consider it immutable. Inimical to us it may be in its origins, but it is equally inimical to the real interests of those who hold it, and those interests are increasingly making themselves felt.

I am not so naive, of course, as to believe that the growth of contacts, and exchanges, rapid though it is, between East and West, will work any miracles. To quote Kommunist once again:

"As an ardent supporter of useful business contacts with capitalist countries, Lenin invariably warned against forgetting the class approach to these relations. He pointed out that the capitalists would seek in every way to undermine our system, to corrupt our people and to instil capitalist habits in them. It is necessary to watch closely each step of the enemy and to employ all means of control, supervision and persuasion to paralyse bourgeois influence. Peaceful coexistence calls for the intensification of Party ideological work inside the country and decisive struggle against bourgeois ideology in the international arena."

I need not emphasize that these are not idle words and that Soviet officialdom governs contacts with the West accordingly. But this is not the whole story. Those (and they exist both here and in the U.S.S.R.) who believe the old days are gone forever, and nothing serious now stands in the way of eternal goodwill, may have overestimated the pace of change; but change there is.

Canada, like most other Western countries, has participated in these exchanges for a number of years, not only with the U.S.S.R. but with Poland, Czechoslovakia, Hungary and other countries of Eastern Europe. Canada, as everybody but the people who eat it knows, has sold great quantities of wheat to these same countries. The volume of private tourism from Canada to the European Communist countries is rising rapidly, and they have ceased to be entirely remote and mysterious regions. Our inter-governmental relations are reasonably good, always allowing for the gulf between us on fundamental issues.

What, then, can we conclude from this about Canada's role in East-West relations? The examples I have given refer to Canada's own particular relations with the Soviet "East", an area with which we have common geographical and economic problems, and from which we have drawn a substantial part of our population. There is clearly ample room for co-operation with those countries, and there would be a great deal more which it would be in our national interest to develop if the political obstacles were overcome.

Purely from the Canadian point of view, therefore, and leaving aside the vital concern we share with all humanity in finding the stable world order essential to our survival (a point I scarcely need to labour), we have a definite interest not only in the absence of hostility but in genuine co-operation. Moreover, like every other country (and, despite the vaulting ambitions of some of our visionaries to see Canada take a prominent part in every international situation, we are subject to the same sort of imperatives as every other country), Canada acts in the world and is acted upon in two ways -- as itself alone, pursuing its own unique national interests, and as an ally, a neighbour or a member of one or another group.

Obviously, there is constant interplay, even tension, between these two aspects of our international being. In a pluralistic world there is far greater scope for interplay and sometimes greater occasion for conflict. This being so, can it reasonably be argued that our commitment to a common Western cause runs counter to our true national interest?

A few years ago, it was not uncommon for fairly well-disposed people of Soviet sympathies to describe Canada as the "Poland of the West", meaning, presumably, a country allied to an overwhelmingly powerful neighbour but showing encouraging signs of independence whenever it could. With all due respect to the Polish people, with whom it is an honour to be compared, I have never been able to accept the analogy. But it throws light on the point I am trying to make -- our own conception of our place as a nation committed to the NATO Alliance in defence of the West is different from that attributed to us by the Communist countries, and this difference has an observable effect on the sort of role we can play in relations with them.

That role is also profoundly affected by another observable fact - that, as far as the Soviet Union is concerned, there is really only one non-Communist country in the world whose policy is of vital significance to it - the United States. I do not discount the importance the Soviet Union attaches to its relations with other countries - India, Japan, France are all objects of special Soviet attention at present - but in Soviet calculations the United States is the ultimate interlocutor. And who is to deny the realism of this view?

What it means is that, in the absence of understandings between the two super-powers, no stable solution is possible of the key questions of world affairs -- Germany and European security, disarmament, problems of under-development. It does not mean, however, that the only worthwhile dialogue is that between the super-powers. The Soviet Union does not believe so, evidently, as the differentiation it makes among Western states confirms. But it is logical to suppose, and experience bears this out, that a dialogue with a lesser state is more or less interesting to the Communist world to the extent that state may be, or may be thought to be, associated with a concentration of power greater than itself alone.

It is a matter of traditional wisdom that Canada's closeness in all senses to the United States has lent its views greater weight than they might always have received uttered in isolation. This is the positive aspect of our situation, on which I think it reasonable to lay greater stress at this juncture in East-West relations than on the negative aspect, that we owe our



security in an age of super-powers to our great neighbour. But let that fact not be forgotten. I speak of "security" not in the sense that there would be anywhere to hide in the event of a nuclear war but in the sense that the long-term prospects for a stable peace rest on the continued ability of the West to resist military pressure.

We have not worked our way out of the cold war, just as we did not survive the bitter confrontation of Stalin's day, by giving way to such pressure. And the West's ability to resist it is basically the ability of the United States. Having that power of resistance confers the freedom to seek constructive solutions: it has not been used by the West to exert such pressure in its turn. In Hungary in 1956, in Berlin in 1961, in Cuba in 1962, a response in kind to extreme provocation would at the least have paralysed the process of internal evolution in the Communist world for years, even if it had not led to the ultimate disaster.

It is this engagement of the Soviet Union with the United States which enhances our role in East-West relations. Clearly, close relations with the United States, symbolized in the security field by our active co-operation in NATO and NORAD, are essential if our views are to be taken into account in Washington -- which they are. Similarly, on the Soviet side we are of interest less for what we are, a nation of 20 million people, than as a neighbour of the United States, sensitive to the movement of American public opinion and disposing of some influence in Washington.

Those who argue that Canada would be able to play a more effective role internationally if we withdrew from NATO fail to meet two arguments. They cannot demonstrate that we should gain new influence. We could not hope to lead the non-aligned states, whose principal concerns are different from our own. And we should lose the close association with the United States and the other major members of NATO which is the source of much of our influence in the world, an influence which is greater than our population and economic power would alone support.

Our alliance confers on us both influence and the freedom to use it constructively. What are we to do with it? What we are doing is this -- we are addressing ourselves to the central problems of disarmament, and specifically at present nuclear proliferation, in preparation for the time when genuine progress can be made. We are equally working on more immediate issues such as the war in Vietnam which stands almost impenetrably across the road to profitable resumption of the Soviet-American dialogue.

For reasons of its own, the Soviet Union has not yet seen fit to work openly for a peaceful settlement in Vietnam, but neither has it cut its lines to the West as a whole because of it. Indeed, the Soviet Union has specifically declared that the war in Vietnam should not be allowed to obstruct the disarmament negotiations at Geneva.

Nevertheless, the manner in which the Vietnam war is ended will do much to shape the form of East-West relations in the future. Meanwhile, as long as no Soviet-American dialogue on the war and its attendant problems is taking place, Canada, with contacts in Washington and Moscow, Saigon and Hanoi, has both the responsibility and the opportunity to help span the gap.

There are other matters which are not so immediate or difficult but which are still important. Such matters as peace keeping, another field in which we actively seek to associate East and West in our common interest, and in which the conception of national-liberation war makes understanding seem remote. They also include the bilateral exchanges and trade which we conduct with the Soviet Union and Eastern Europe in increasing volume.

The importance which exchanges are assuming may be judged, however, by the fact that this summer a Soviet parliamentary delegation, which is to come to Canada to return a visit of Canadian parliamentarians last year, will be led by Mr. Dmitri Polyansky, one of the First Deputy Chairmen of the Soviet Council of Ministers and a member of the Presidium of the Communist Party of the Soviet Union. Mr. Polyansky will be by far the most important Soviet guest to have come to Canada so far, and his visit will mark a milestone in Canadian-Soviet relations.

All such exchanges contribute to the same purpose of introducing elements of normality and stability into a world where rapid social change and the monstrous destructiveness of weapons produce too volatile an atmosphere for widely divergent views to be carried to their logical conclusions.

There is still an "East" and still a "West" and we are not yet done with polarization, but pluralism provides diplomacy with opportunities both to divert such dangerous logic and to narrow the divergencies. To quote Raymond Aron again in conclusion: "This world of growing complexity promises to be a paradise for the analysts and a hell for statesmen. In it the first can display their ingenuity and the second will discover the limits of their power".

I take no particular delight in analytical ingenuity. My interest lies rather in the broad implications of our assessments for government policy. In this field, my conclusion would be somewhat different from Mr. Aron's so far as Canada is concerned. We may find the limits of Canada's role expanded rather than diminished by the growing complexity of the world. In that possibility lies our hope for rational discussion, for constructive diplomacy and for a determined attempt to ensure world peace.

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s/c







## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 66/11

### THE NATO ALLIANCE - A MAJORITY VIEW

Statement by the Honourable Paul Martin, Secretary of State for External Affairs, in the House of Commons, March 18, 1966.

I rise to make a declaration that is being made by 14 countries of the North Atlantic Treaty Organization at this hour....

The Government of France on March 10 delivered a note to the Canadian Ambassador in Paris setting out the position of that Government regarding France's future participation in NATO.

The French note, which I tabled this morning, states that France intends to withdraw all its land and air forces still remaining under NATO command. French naval forces have already been withdrawn. France also requires the removal from French territory of all NATO military headquarters, including SHAPE itself. Finally, France requires the withdrawal of foreign forces and installations from France, unless the forces are placed under French rather than NATO operational command.

It is the view of the Canadian Government that Canadian forces at the disposition of the alliance in Europe should be under the operational command of the Supreme Allied Commander. The direct implication for Canada of the French decision, therefore, is that we shall have to relinquish our air base at Marville and the air division headquarters at Metz and relocate these forces and facilities elsewhere. Other Canadian forces in Europe outside France are not directly affected.

The French Government also addressed notes to all other members of NATO. These notes are all substantially similar. The notes addressed to the United States, the Federal Republic of Germany and Canada deal additionally with matters which are the subject of bilateral agreements with France.

The French intention to withdraw from the integrated military arrangements established under NATO has been the subject of consultation among the other 14 members of the Organization, who have determined to maintain the integrated defence structure of the alliance. The experience of the last two world wars and modern developments in warfare permit no effective alternative to unified command and planning arrangements for allied



forces. Recognizing the need for continuing these proven arrangements, Canada has today joined the other members of NATO in making the following declaration:

"The following declaration has been agreed on between the heads of government of Belgium, Canada, Denmark, the Federal Republic of Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, the United Kingdom and the United States of America.

"The North Atlantic Treaty and the Organization established under it are both alike essential to the security of our countries.

"The Atlantic alliance has ensured its efficacy as an instrument of defence and deterrence by the maintenance in peace-time of an integrated and interdependent military organization, in which, as in no previous alliance in history, the efforts and resources of each are combined for the common security of all. We are convinced that this organization is essential and will continue. No system of bilateral arrangements can be a substitute.

"The North Atlantic Treaty and the Organization are not merely instruments of the common defence. They meet a common political need and reflect the readiness and determination of the member countries of the North Atlantic Community to consult and act together wherever possible in the safeguard of their freedom and security in the furtherance of international peace, progress and prosperity."

I would remind the House before I take my seat that the Government of France, in the note it has sent to Canada, does not, as I said during the question period today, propose to denounce the Treaty.

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s/c



# STATEMENTS AND SPEECHES

INFORMATION DIVISION

COMMUNICATIONS DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/12

## FRANCE, CANADA AND NATO

Excerpts from a Speech by the Honourable Paul Martin,  
Secretary of State for External Affairs, to the  
Rotary Club, Windsor, Ontario, March 21, 1966.

On March 10 the Canadian Ambassador in Paris was called in to receive a note setting out the position of the French Government regarding France's future participation in NATO. Today I shall summarize the main lines of the French position and give a general indication of the principles which will guide the Canadian Government in the discussions which lie ahead with France and our other allies.

The French note received by Canada states that France intends to withdraw all its remaining land and air forces from NATO commands. Its naval forces had been withdrawn already. France also requires the removal from French territory of all NATO military headquarters, including SHAPE itself. Finally, France requests the withdrawal of foreign forces and installations from France, unless the forces are placed under French operational command, a condition which they themselves recognize is unacceptable.

The implication for Canada is that we shall have to relinquish our air-base at Marville and the Air Division headquarters at Metz and to re-locate these forces and facilities elsewhere. Other Canadian forces in Europe are not directly affected.

I know you will recognize immediately the far-reaching nature of the French decision. I use the word "decision" because the French authorities have made it clear that they are not anticipating counter-proposals. The French Government have, in effect, decided to withdraw from integrated military arrangements within NATO. They are evidently prepared to negotiate only on the modalities and timing for giving effect to the French decision. This will apply to the Canadian bases at Metz and Marville.

We have known from President de Gaulle's press conferences over the last few years and from action which he has already taken to withdraw French naval forces from NATO command that the French Government was dissatisfied with the military arrangements in NATO.



It was for this reason, among others, that the Canadian Government has indicated on numerous occasions that it was ready to consider modifications in the NATO organization which would be acceptable to all members of the alliance. This was our motive in proposing in 1964 that the NATO Council should undertake a study of the future of the alliance. In this way we hoped to start an exchange of views in which France and our other allies could participate and in which plans could be discussed for adapting the alliance to the changed circumstances of the 1960s. Although the proposal was endorsed by the ministerial meeting in December 1964, there was subsequent resistance to the study being developed because it was thought by many of our allies that it might tend to precipitate a confrontation with France. In these circumstances, we were not able to pursue the proposal.

Now France has chosen to act on her own, so that, as matters stand, we have no alternative but to take account of France's unilateral decision and concentrate on limiting the adverse consequences to NATO.

I am bound to say that the Canadian Government regrets the French decision and is not persuaded by the arguments which the French Government has used to justify its actions. Our experience in the last two wars has led us to conclude that there is no effective alternative to unified command and planning arrangements for allied forces. That is even more true of modern warfare, with the emphasis on rapid and dependable communications and on quick, but jointly and carefully considered, responses. The need for continuing these proven arrangements is accepted as imperative by all other members of the alliance. Last week these governments agreed on a declaration of their continuing support for the Organization and you will have read in the press that the text<sup>(1)</sup> was released in Ottawa on March 18.

As you will have gathered from this declaration, the Canadian Government continues to give its full support to the organizational arrangements which have been established over the years in NATO. This does not mean that we think the military organization cannot be improved. Within the conception of unified command and planning, we believe that the military organization would profit from a re-examination aimed at improving its effectiveness and rationalizing the command structure. The readjustment which is imperative as a consequence of the French decision will afford an opportunity to apply the lessons we have learned. This opportunity must be seized.

In spite of its decision to withdraw from the integrated military arrangements of NATO, the French Government has stated that it does not intend to denounce the North Atlantic Treaty in 1969 - that is, that it will continue to be a party to the Treaty. The implications of this intention, in the light of the announced decision to withdraw from the integrated military arrangements, have yet to be explored with the other members of NATO.

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<sup>(1)</sup>For this text, see SS 66/11.

But the Canadian Government welcomes this indication of France's desire to continue its formal association with the other parties to the Treaty.

The French Government has also indicated a willingness to develop organizational arrangements with other members of NATO to co-ordinate plans in the event of possible conflict. There are serious doubts as to the real effectiveness of such arrangements under the conditions which would be likely to obtain in modern war. Such arrangements could, however, constitute additional links in France's continuing association with the other members of NATO.

One object of Canadian policy will be to ensure that nothing is done which would make more difficult the resumption by France of full military participation in NATO, should France so decide. No matter how great our regret that the French Government should have taken the decision it has, we shall do all we can not to allow this action to affect the existing warm and friendly relations between Canada and France, which form an important and basic element of our foreign policy. Indeed, if the institutional links between France and NATO must be loosened, it is all the more important to maintain and strengthen, if possible, the bilateral relations.

In spite of the uncertainties and the problems which the French action will cause for us and our allies, there are certain essential points about the Canadian position which I should like once more to underline:

- (a) We shall continue to subscribe to the purposes and objectives of the North Atlantic Treaty.
- (b) Canada intends to continue to participate in the integrated military command and planning arrangements, the need for which we discovered at such tragic cost during the last two great wars, and which have become even more important with the increasing complexity and rapidity of military actions and reactions.
- (c) France's decision will require a review of NATO military arrangements. Canada will seize this opportunity for an examination of how we can best contribute to the continuing military effectiveness of the alliance and how the existing arrangements can best be adapted to meet contemporary needs.
- (d) The Canadian Government desires to preserve and strengthen the existing close and friendly relations with France and will do all it can not to allow the French action in NATO to impair our bilateral relations. The Canadian Government also hopes that the French action will not impair France's co-operation with other European and North Atlantic countries in economic, financial, trade, and other matters of great importance to France and to the rest of us.







# STATEMENTS AND SPEECHES

INFORMATION DIVISION

CANADA

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/13

## THE NATIONAL INTEREST

Speech by the Secretary of State for External Affairs, the Honourable Paul Martin, at the Graduation Ceremony, Osgoode Hall, Toronto, March 25, 1966.

My remarks ... are directed primarily to the graduates but I hope that they will be seen to have a wider implication.

I would stress to you who are entering upon your careers the importance of discussing, defining and then acting to promote the national interest, either in world or in domestic affairs. We should hold before us the ideal for a democratic society proposed by Pericles to the citizens of Athens, 2,500 years ago: "Here each individual is interested not only in his own affairs but in the affairs of state as well. Even those who are mostly occupied with their own business are extremely well informed on general politics -- this is a peculiarity of ours. We do not say that a man who takes no interest in politics is a man who minds his own business. We say that he has no business here at all."

I am sometimes asked, as the Secretary of State for External Affairs, what foreign policy and diplomacy are all about. I am not entirely surprised by the questions. Canadians live in an immense country in which only the familiar border with the United States provides any reminder of national differences. They may feel that "foreign affairs" is a subject for countries overseas or for a federal capital to think about.

Trade, war, immigration and travel are familiar enough manifestations of external interests and problems, but the listing of activities leads to more fundamental questions. What, in the national interest, do we want in our relations with the rest of the world? Foreign policy is the definition of what we want. Diplomacy concerns itself with how we are to attain our objectives. Dominating both is the rigorous and unending examination of all the factors, all the advantages and disadvantages which are relevant to the final decision on the most important question: "In a country with as many diverse interests and viewpoints as Canada, in a world as complex as the contemporary one, wherein lies the national interest?"



Foreign policy as much as domestic policy centres around issues which can determine the security and economic well-being of several generations of Canadians. The preservation of an alliance, the termination or avoidance of armed conflict anywhere in the world, the co-operation of nations to ensure economic progress - these are among the essential elements of our foreign policy and the leading objectives of our diplomacy.

You will probably have heard of something in the past few days about the serious problems within the North Atlantic alliance created by the decision of France to withdraw from those measures of military integration which support the guarantees of mutual assistance contained in the Treaty. I hope that you and all Canadians will understand the importance of the questions involved.

In 1914 a generation of young Canadians was committed to the barbarism of trench warfare and mass slaughter in Northern Europe. In 1939 another generation was caught up in the world convulsion of war, ideological hatred and mass genocide. I am speaking today to the representatives of a generation which, if we were not all consumed in nuclear fire first, would be in the front line of another ghastly blood-letting that might bring Western civilization down in ruins.

In 1949 the nations which signed the North Atlantic Treaty drew the correct conclusions from their experience. They decided that they must organize their security collectively in their own region, pending the establishment of universal collective security through the United Nations. They set on record before the world, for the benefit of any whose ambitions or temptations might lead them to hope otherwise, that they would fight collectively and immediately to resist any intrusion into the area covered by the guarantee.

To render the deterrent force of the guarantee as effective as possible, a degree of military integration unprecedented in peace-time was undertaken. That military integration has been both a sign of mutual interest and trust within a new type of alliance and an appropriate response to new conditions of warfare.

I am sure that a number of you have visited Europe or will do so. When you find there abundant evidence of economic prosperity, the flourishing of the arts and the healthy mingling of the traditional and the new, you must give due credit to the defensive shield which has guaranteed the recovery of a large part of the continent. The founders of NATO expected this recovery, and more than that. Canadians and others have looked beyond military measures and beyond European recovery as an immediate aim to the possibilities of developing an Atlantic Community with political, economic and military stability and well-being beneficial for the Atlantic nations and for other parts of the world.

Differences of opinion have developed, however, about some of these relations. I should like to stress some points which are occasionally the subject of controversy among Canadians.

Some see NATO as a hindrance to efforts to achieve a general relaxation of tension in the world. I believe, on the contrary, that we have been able to improve relations with the Soviet Union in recent years because our defensive power has provided a basis for clear understanding and, to an increasing extent, I believe, mutual respect. In earlier periods, shifting political alignments among nations, lack of military preparedness in peace-time on the part of some nations and an exaggerated militarism on the part of others led to uncertainty, panic and crisis.

We are trying now, through new conceptions of security, to create conditions of political and economic stability and military strength which will enable the Atlantic nations to show the maximum flexibility in relations with the rest of the world. The fate of our efforts to adhere to this modern conception of an alliance in our foreign policy will be of the greatest importance to Canada in your lifetime.

Our foreign policy does not, however, confine itself to the problems of a regional alliance, so far as the search for peace and security is concerned. The hope of security for a few nations is an illusion if we ignore the forces elsewhere which could now, or in the future, shatter that security.

I am sure that for you, as for me, the ultimate question when we consider our own future or the future of our families is whether mankind can permanently outlaw the use of nuclear energy for war. The alternatives presented by our unprecedented power for welfare or for destruction are clear and dramatic. The astronauts of the two leading powers in the world have exclaimed at the sheer beauty of the world as they have seen it, with all the fresh enthusiasm of explorers entering unknown oceans or sighting unknown continents. The military strategists of the same two powers are forced to contemplate, as a matter of professional routine, a devastation of the face of the globe which would throw human beings, animals and the very plants which sustain our life into a nuclear furnace.

We have chosen as the focal point for our policy in a universal sense the "diplomacy of reconciliation" which Dag Hammarskjöld saw as the main task of the United Nations. "All the varied interests and aspirations of the world", he said "meet in its precincts upon the common ground of the Charter."

The varied initiatives of diplomacy are directed toward this focal point of a reconciliation of interests. Some have to do with disarmament or the limitation and control of arms. Some arise from the needs of peace keeping, which have led to a Canadian presence in United Nations projects in many parts of the world remote to us. In all such initiatives in political, economic or social matters, we have acted out of the conviction so eloquently expressed by an American judge on the International Court of Justice that "there will be general international realization of the common interest and that the timeless tide will still flow toward uniformity in the law of nations".



The relevance of world conditions to the most elementary questions of our security and survival is obvious. I am sure that you have asked yourselves how relevant the broad themes of our foreign policy are to immediate questions of economic prosperity and social progress in Canada.

I scarcely need to identify the economic and social challenges which we face ourselves in our own country. We have to maintain a rate of growth which will guarantee a rising standard of living. We have to exert ourselves by our industry, by our technological skill and by imaginative planning in order to be fully competitive in the world market. We have obligations towards our underprivileged groups, towards Canadian society as a whole, for improved welfare.

Does this mean that economic conditions in other countries can be allowed to recede beyond the horizon as a subject for our interest and concern? It would be the most short-sighted folly if we allowed this to happen.

Here are some of the realities of conditions elsewhere which can affect our national interest in ways we do not often realize. The President of Pakistan has pointed out that "for a majority of nations of the world, economic progress is today another name for sheer survival". The President of Tanzania has said something which should be pondered by Canadians, for whom trade is life-blood: "Even a completely closed market which is restricted to the poor of the world would be better for us than the present system in which the poor are at the mercy of the rich". A senior United Nations economist has pointed to what, from the standpoint of the developing countries, appears to be an "inevitable deterioration in the terms of trade in a world of vicious circles, perverse relationships and asymmetrical situations." This is the language of the economist, but it carries its own sense of urgency and concern.

This is the world we live in and we should be foolish to think that we could make ourselves invulnerable and count only on our efforts within our own boundaries for prosperity. International economic co-operation is imperative - whether it involves close relations and negotiations with the United States, negotiations with the developed nations over tariffs and trade, adjustment of the terms of trade for developing nations or development assistance to those nations.

The answer to any who ask whether we are to concentrate on helping ourselves or on co-operating with others is simple but hard: "You must do both". This is the challenge to Canadians in developing their own country. It is the challenge to their Government in its economic diplomacy.

These are some of the grand themes of our foreign policy. I should like to close by saying something about Canadian problems. Under the impact of danger or the stimulation of external problems, we have agreed on the national interest and acted to defend it. In the 20 years or so during which Canada has developed a global

diplomacy, few serious disagreements have arisen over our actions abroad. This is not unnatural in foreign affairs, and we can hardly expect a consensus on the national interest in other fields to be achieved as readily.

Yet achieved it must be. We have to pursue the logic of a bicultural society in ensuring justice and a balance of interests for all. We have to agree about federal and provincial responsibilities. We have the economic and social challenges I have already mentioned. We must rise as a nation to these responsibilities. Every issue must be thoroughly debated, but the debate should clarify issues, not obstruct eventual decision and action. When the decisions are made we must implement them loyally and vigorously, if we value the institutions through which the decisions were made and if we respect ourselves as a nation.

I say this because there are some who see solutions only in abandoning some vital part of our heritage and altering fundamentally some part of our political structure. There are some who doubt our present identity or long-term durability as a nation, or who speak cynically about our capacity for resolving political problems.

Considering all that we have experienced and achieved together in the 100 years since Confederation, I proclaim my own loyalty to Canada as I am sure most of you see it - a nation with elements of true greatness, capable of deriving new strength and richness from its very diversity and respected among the nations of the world.

I see it as Sir Wilfrid Laurier described it 69 years ago to an audience in Paris: "Notre pays est un pays ... plein de vigueur, d'activité et d'ambition. Le sang de la jeunesse bout dans ses veines; il a foi dans son avenir". The words are moving in either of our languages, and I repeat them to you: "Our country is a land full of vigour, of action and of ambition. The blood of youth stirs in its veins, it has faith in its future".

The future of the country will be assured if enough of its citizens recognize the democratic imperative of participating in those political processes which best determine the national interest. Some people cast aspersions on political activity, as if it were divorced from major interests of the people. Of them I would say what Pericles said of some of the Greeks: "It never occurs to any of them that the apathy of one will damage the interests of all". Political judgment, good or bad, affects the vital interests of the whole community. It must, therefore, be of general concern.

Canada has many demands to make of your generation for its own immediate well-being and for the accomplishment of honourable tasks in the world. The country deserves your loyalty, requires your intelligence and depends on your desire to work for the common interest of all your fellow citizens.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION

Canada  
DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/14

## A REVIEW OF THE SITUATION IN VIETNAM

Statement to the House of Commons Standing Committee on External Affairs on April 4, 1966, by the Secretary of State for External Affairs, the Honourable Paul Martin.

When I came before the Committee on June 10, 1965, I gave a detailed account of the developments which had led up to the situation at that time in Vietnam. I said I thought it was difficult to form a judgment of that situation without examining in its proper historical perspective the problem in Vietnam. I believe the situation is no less true today than it was a little less than a year ago. I know there are interpretations other than that which the Canadian Government has placed on the course of events in Vietnam. Indeed, a great deal of the discussion and dissent which have developed in relation to Vietnam have focused on the history of the conflict itself. I think, however, that no useful purpose would be served by going again over the ground which we covered last year, but in that context I wish to make two comments.

First, I would like to remind the Committee that while there are differences over the antecedents of the present conflict in Vietnam, the assessment which the Government has formed on this subject is an independent assessment resting on a long record of firsthand Canadian experience in Indochina. Secondly, if our foreign policy is to have any impact on the present situation, I believe we must now cast our thinking forward rather than backward. I also believe we are unlikely to achieve anything useful by a policy of denunciation, which is sometimes being urged on the Government by those who take issue with our position.

What we must do is to map out a course which we regard as right and realistic, which takes account of the facts as we know them and which has some prospect of contributing to a peaceful settlement. And this is what we have been trying to do.

There is one matter with which I should like to deal before giving the Committee some indication of recent developments in the Vietnam situation. This is the matter of Canadian participation in the International Commission in Vietnam.

Members of the Committee will recall that this was the only issue on which the House divided when the estimates of the Department of External Affairs were considered on February 8. I do not pretend -- and I do not suppose anyone would pretend -- that the Commission is in a position, in present



circumstances, to do justice to the mandate with which it was charged by the Geneva powers in 1954. That is not in any way the fault of the Commission, which was set up to supervise a cease-fire and not to control an armed conflict. Nevertheless, there are -- and there will continue to be -- a number of good reasons for maintaining the Commission's presence in Vietnam. Some of these reasons I will be prepared to deal with in interrogation; some of them I will not be able to discuss.

First, none of the interested parties has at any time suggested that the International Commission be withdrawn or its mandate cancelled. Not even the Chinese People's Republic has made this suggestion. On the contrary, it has been confirmed to us within recent weeks both by the Secretary of State of the United States and by senior personalities of the Government of North Vietnam that they attach importance to a continued Commission presence in Vietnam. Indeed, the Committee might be interested to know that, when Victor Moore, our new Commissioner on the Control Commission, made his introductory calls in Hanoi about three and a half weeks ago, it was represented to him that the North Vietnamese Government would like to see the Commission hold more of its meetings in Hanoi than has been the case in recent years. I understand that this matter has since been discussed among the Commissioners and that there appears to be general agreement to act on the North Vietnamese suggestion.

I think this would be a good decision, and it would not be establishing a precedent. The Commission at another period has spent more time in Hanoi than it has during the past few years, so there would be no precedent involved in spending a longer period in Hanoi.

Secondly, both North and South Vietnam continue to look to the Commission to consider and adjudicate their charges of violations of the Cease-Fire Agreement. While there can be legitimate argument over the usefulness of such a procedure in circumstances where the prospects of remedial action are limited, the fact is that the parties do attach importance to this function of the Commission and to the public presentation which the Commission is able to make on the basis of its investigations of breaches of the Cease-Fire Agreement.

Thirdly, if members of the Committee examine the Cease-Fire Agreement which was concluded in Geneva in 1954, they will find that the Commission is, in fact, the only tangible instrument of the Geneva settlement as it affects Vietnam. Even if we were to consider, therefore, that the Commission's presence in Vietnam in present circumstances is of largely symbolic significance, we cannot, I think, discount the importance of the Commission as a reflection of the continuing interest of the Geneva powers in a situation which engages their international responsibilities....

I think it is fair to say that the elimination of the Commission from the Vietnam scene in present circumstances would only serve to complicate what is already a situation which is fraught with serious risks for the maintenance of international peace and security.

Fourthly, we have always thought it right to keep open the possibility that the Commission might be able in the right circumstances to make a positive contribution to a peaceful settlement of the Vietnam issue. I think I can say to the Committee, without exaggeration, that this possibility has played an increasing part in our thinking about the Vietnam conflict. I am satisfied that we would be ill-advised at this stage to discard an instrument which may yet have a part to play in bringing this issue from the battlefield to the conference table; I am strengthened in this view by the attitude taken by a number of parties concerned and by the strong position taken by the Secretary-General of the United Nations.

I now shall turn to some recent developments in the Vietnam situation. I would like to say something about the pause in the bombing of North Vietnam which began on Christmas Eve and continued for 37 days until the end of January. The position of the Canadian Government for some time previously had been that such a pause could represent a useful opening for a peaceful solution of the Vietnam issue. It was with this consideration in mind that the Prime Minister had suggested the possibility of a pause in April of last year. The pause which took place in the following months was short-lived and did not produce the results for which we had hoped. When a further pause was initiated by the United States in late December we welcomed this as a genuine contribution to peace and we did what we could, through diplomatic channels, to reinforce the many efforts that then were being made to turn it to good account.

I do not intend to recapitulate those efforts, except to say it was a matter of disappointment to us that the prospect of some break in the situation, which the pause might have offered, did not materialize. Nevertheless, we took the view throughout the pause that we hoped it might be extended until all reasonable possibilities of eliciting some response from the other side had been exhausted.

Toward the end of the bombing pause, the President of the Democratic Republic of Vietnam addressed a series of letters to other governments, including the Government of Canada. We have studied President Ho Chi Minh's letter with the greatest care and consideration to see, in particular, if it offered any hope of a reversal of the present grave situation in Vietnam. While it did not appear to us that there were, in fact, new elements in that letter, we nevertheless felt it provided a basis on which time it might be possible to explore the position of the North Vietnamese Government in greater detail.

That is one reason we decided that the time might be opportune to send a special representative of the Canadian Government to Hanoi to present the Canadian reply and, at the same time, to probe the views of the North Vietnamese Government on the prospects for a settlement of the Vietnam issue through other than military means....

Perhaps I should say we did not think it profitable at this stage to enter into a controversy with President Ho Chi Minh over the interpretation of events in Vietnam which was contained in his letter. Rather, we availed ourselves of this opportunity to re-state the Canadian view that there could be no lasting solution of the present conflict other than through negotiations and to suggest, at the same time, that there might be a contribution which the members of the International Control Commission in Vietnam could make to that end.



The Vietnam question was placed before the Security Council at the beginning of February. There has been a good deal of discussion about the wisdom of this step, with particular reference to its timing after the bombing of North Vietnam had been resumed. As far as this Government is concerned, our position on this matter has remained unchanged. I said in the General Assembly last fall that the United Nations was the place, or one of the places, where the question of Vietnam should certainly be discussed. We have been aware, of course, that the prospects of the United Nations playing a direct part in relation to the Vietnam issue in present circumstances was very limited. This is not only because three of the principal parties to the Vietnam conflict are not members of the United Nations but also because there has been a reluctance on the part of some countries to have brought before the United Nations an issue such as this which directly engages the interests of the great powers.

Nevertheless, it would have been entirely inconsistent with Canadian attitudes and policies to deny, as I say, the right of the United Nations to pronounce itself on an issue which involves the maintenance of international peace and security perhaps more than any other issue at the present time. In our view, the provisions of the Charter in this matter are clear. It is regrettable that the Security Council should not have taken the opportunity of at least recommending to the parties that they seek a peaceful solution of the Vietnam conflict through the machinery for which they themselves have expressed a clear preference -- that is to say, the machinery created in Geneva in 1954.

The inability of the Security Council to deal with this issue has reinforced the judgment which we had formed some time ago, and which was in my mind when the debate in the House of Commons took place in February, that we should look to the International Commission in Vietnam to see whether, in the right circumstances, there was not a role which it could play toward bringing about a peaceful settlement of the issue there. This is the direction in which our thinking has been tending since last December, and it is to this aspect of the Vietnam problem that I want to turn.

The first question that arises is why it should be thought that the International Commission might be able to make a positive contribution to a solution of the Vietnam conflict. The Commission was brought into being by the Geneva Conference of 1954. We have served on that Commission since that time, along with India and Poland and, as well, we have served on the comparable commissions in Cambodia and Laos. In a sense, the Commission may be said to represent the continuing interest of the Geneva powers in the Vietnam situation. It is now clear that, when the time comes, any negotiation of the Vietnam conflict is likely to be conducted within the Geneva frame of reference. It is natural, therefore, to think of the Commission as an instrument which might be brought into play in preparing the ground for an eventual negotiation.

The question has been raised in our contacts with interested governments whether there is anything in the Geneva Cease-Fire Agreement which confers on the Commission a mandate on the lines we have been considering. I must say that, on a strictly legal interpretation of that Agreement, the answer must be in the negative. But I do not think anyone who is concerned about the course of developments in Vietnam would feel justified in looking at this issue

only in legalistic terms. We have never looked at it that way. We have never thought of the Commission as possessing a role purely on the basis of powers extended to it under the Geneva Agreement of 1954; nor, on the other hand are we thinking of any fresh mandate being conferred on the Commission either by the Geneva powers acting collectively or by the Soviet Union and Britain acting jointly in their capacities as co-chairmen of the Geneva Conference.

We have informed the Soviet Union, we have informed the United Kingdom Government, we have informed other governments of our views as to the role that the Commission might assume, but we have not thought it was necessary to get their authority for making our suggestion. What we have had in mind is something modest and informal; we continue to believe, however, that our proposal has potential merit. Our proposal was really in the nature of a good-offices assignment, which would be undertaken not necessarily by the Commission as such but by the three Commission powers acting as sovereign nations, which have been associated with the Vietnam problem for the past 11 years, and which have established a fair record of co-operation between them. It is our view that the knowledge and experience of the Vietnam problem of the three Commission powers and the ready access they command to all the interested parties would make the Commission powers a particularly suitable group to carry forward the search for peace in Vietnam. This is the common objective of the three members of the Commission.

There have been notable attempts made to try and bring about peaceful negotiation in Vietnam. Attempts made by the British, by a good-offices body of the Commonwealth, by individual intermediaries, some publicly known and some not, by concerted action on the part of a group of countries, including Canada -- action by Canada itself, for instance, in the visit that Mr. Blair Seaborn made in June 1965. But for none of these, other than the visit of Mr. Blair Seaborn, did the mediators know in advance that it would have access both to the Government in Saigon and to the Government in Hanoi. It must not be forgotten, in appraising the role of the Commission, that it has direct access to both capitals in the two belligerent areas in the regrettably divided country of Vietnam. We have, of course, for some time been supporting in general terms the re-convening of the Geneva Conference. In fact, about a year ago we specifically urged that the Geneva Conference be recalled. Britain itself, as one of the co-chairmen, has urged the Geneva powers to meet.

Recently the British Prime Minister discussed this matter with Mr. Kosygin when he suggested that they both might agree to calling a Geneva Conference.

However, I should like to make clear that we are not now proposing the calling of a Geneva Conference. We hope the time will come when this will be practicable and possible. I want to make as clear as I can that the proposal we have made for a use of the Commission should not be regarded as an effort to call or persuade the two chairmen of the Geneva Conference to call an immediate Conference. We are not pressing such a move at this time, because we are certain that such a call in present circumstances would not produce results.



Also, we do not think that this is the right approach for the Commission powers at this stage. A reconvened Geneva Conference is and remains, of course, the end result of the development we hope to be able to set in train, but it is not the first step. Indeed, I would be afraid, if we tried to make it the first step, that we are more likely to exhaust than to establish such influence as we may be able to have with the parties principally concerned in the Vietnam conflict. I have made this clear in talks that I have had with particular parties concerned. Certain propositions have now been put forward on both sides with respect to a settlement of the Vietnam conflict. There are the four points of the Government of Hanoi, the 14 points of the Government of the United States, and the four points of the Government of South Vietnam. In a sense, this represents the beginning of a process of negotiation. But such a process can be carried only so far by way of public pronouncements. The gap between the positions, particularly of the United States and of the Government of North Vietnam, is still very wide and something will have to be done to narrow it. There is also a barrier of distrust and suspicion that will somehow have to be overcome.

It has seemed to us that this is something which could be pursued cautiously and discreetly by the Commission powers. We are not thinking at this stage of anything other than a good-office exercise. The object of such an exercise would be to try to bring about conditions in which the parties themselves might find it possible to engage in direct discussions as a prelude to formal negotiation. In essence, therefore, what we have in mind is an unblocking of channels which, in the absence of such action, are likely to continue to remain closed.

I have already indicated, in general terms, that we have had a series of exchanges about a possible Commission initiative along these lines with India and Poland, who are our partners on the Commission. We have put our position to Britain and the Soviet Union as co-chairmen of the Geneva Conference. I have also taken the opportunity personally to discuss the matter with the Secretary-General of the United Nations, with Secretary of State Rusk and, through others, with the Government of South Vietnam and the Government of North Vietnam.

Our exchanges with India and Poland must necessarily remain confidential. I think I can say that one common point in their initial reaction had to do with the timing and the circumstances in which any Commission initiative might stand a chance of being acceptable to the parties on the ground. That was one of the considerations we had in mind when we decided to ask Mr. Chester Ronning, a distinguished former member of our foreign service, to pay special visits to Saigon and Hanoi early last month. I know that the members of the Committee will not expect me to go into details about his mission, or his future participation. It must be apparent that this is a significant assignment.

On these visits he had a full opportunity of discussing with senior personalities in both capitals their views of the present Vietnam situation and the possibility of the Commission powers playing some part in opening up avenues which might ultimately lead to a peaceful settlement of the conflict. You will appreciate that it would not be helpful for me at this stage to disclose the contents of the discussions which Mr. Ronning had on his visits to Saigon and Hanoi or even the possibilities which they may help to open up. All I would like

to say is that the results of these visits have in no way seemed to me to foreclose a Commission role in the right circumstances. In the meantime we are continuing our exchanges with India and Poland in response to their own indications that they would like to see these discussions carried forward.

Turning to another aspect of the Vietnam problem, the significance of the meeting in Honolulu between U.S. and South Vietnam leaders was that it laid the groundwork for a comprehensive programme of social and economic reform in South Vietnam. All of us recognize, I think, the very great problems which the implementation of a programme of this magnitude poses in any developing country. These problems are bound to be even greater in a context of continuing armed conflict and in circumstances where positive results can so easily be negated. Nevertheless, we believe that the renewed emphasis that is now being placed on the social and economic aspects of the problem in Vietnam is the right emphasis. It is calculated to contribute to a more stable and progressive society, in which the ordinary Vietnamese may be able to feel that his interests are actively engaged.

Recent developments in South Vietnam have underlined once again what I regard as the crucial problem in that country, which is that of achieving a stable political basis. This is not a problem that is confined to that country; it is a problem in many of the new countries which lack the resources to meet the mounting aspirations of their people for a better life. But it is aggravated in South Vietnam by the disruption which has been caused by subversion and armed conflict.

It is my understanding that the tenor of much of the current protest in South Vietnam is to the effect that only a broadly-based civilian government will provide a basis on which the South Vietnamese can be expected to take the decisions which are certain to face them in the months and years to come. We must be careful, however, not to draw false inferences from what is currently going on in South Vietnam. In particular, I think it would be wrong to conclude that these manifestations of political dissent are based on support for the concept of a government which was composed of representatives of the Viet Cong or which included their participation. There are many strands to the current dissent in South Vietnam, but that, according to the best information available to me, is not one of them.

There is a great deal of public concern in Canada, as in other countries, with the situation in Vietnam. As I interpret this concern, it is based on the risks that are inherent in the present situation and on the desire to see a fair and equitable peace established in an area which has been convulsed by conflict for the past 20 years. We share this concern. As a member of this Commission, with special responsibilities, we have felt that our position was not precisely that of other countries and of other governments. We feel very strongly that, if we are going to reach a settlement in this matter, every instrument that is capable of being used to encourage negotiation must be used.

We are strongly of the view -- and we are not without considerable encouragement and support for this view -- that the Commission has a role and that we, as a member of that Commission at the present time, have a role, and we are seeking to take advantage of this opportunity to the fullest extent possible.



I want to acknowledge that there have been other proposals made by a number of governments. One of them was a proposal made by His Holiness Pope Paul VI. I told his spokesman, on behalf of the Government of Canada, that his proposal for entrusting to the non-aligned powers the responsibility of arbitration was one that would receive Canadian support. Unhappily, for practical reasons (and I suppose these included the fact that the offer was not accepted by the other side), the proposal was not realized. But I wish now to acknowledge a note that we have had from the Secretary of the Vatican State, indicating their approval of the Canadian initiative.

I want to acknowledge, as well, the efforts being made by other bodies and other agencies, and I wish to say that Canada is prepared to support any effort that will help to bring about the beginning of negotiations.

That is all I have to say on Vietnam.

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s/c

## APPENDIX I

President  
of the Democratic Republic  
of Vietnam

Hanoi, January 24, 1966

H.E. Mr. Lester Bowles Pearson  
Prime Minister of Canada,  
Ottawa

Your Excellency,

I have the honour to call Your attention to the war of aggression waged by the U.S. imperialists in our country, Vietnam.

Over the past 11 years and more, the United States has been seriously sabotaging the 1954 Geneva Agreements and preventing the peaceful reunification of Vietnam in an attempt to turn South Vietnam into a U.S. new-type colony and military base. It is now waging a war of aggression and barbarously repressing the patriotic struggle of our fellow-countrymen in the South. At the same time, it tries to draw experiences from this war to repress the national liberation movement in other countries.

In an endeavour to get out of the quagmire in South Vietnam, the U.S. imperialists have massively increased the strength of the U.S. expeditionary corps and sent in troops from a number of their satellites to wage direct aggression in South Vietnam. They have also launched air attacks on the Democratic Republic of Vietnam, an independent and sovereign country.

While intensifying and extending the war of aggression in Vietnam, the U.S. imperialists are clamouring about their "desire for peace" and their "readiness to engage in unconditional discussions", in the hope of fooling world public opinion and the American people. Recently, the Johnson Administration has initiated a so-called "search for peace", and put forward a 14-point proposal. As an excuse for its war of aggression in South Vietnam, it claims that it is "keeping its commitments" to the Saigon puppet administration; it slanders the patriotic struggle of the people of South Vietnam, calling it "an aggression by North Vietnam". This deceitful contention can in no way rub out the solemn declaration made by the United States in Geneva in 1954 that "it will refrain from the threat or the use of force to disturb them (i.e. the Geneva Agreements)". Still less can President Johnson's hypocritical allegations conceal the U.S. crimes in Vietnam.

The United States talks about respecting the Geneva Agreements. But one of the main provisions of the said Agreements bans the introduction of foreign troops into Vietnam. If the United States really respects the Agreements, it must withdraw all U.S. and satellite troops from South Vietnam.



It is crystal-clear that the United States is the aggressor who is trampling underfoot the Vietnamese soil. The people of South Vietnam are the victim of aggression and are fighting in self-defence. If the United States really wants peace, it must recognize the South Vietnam National Front for Liberation as the sole genuine representative of the people of South Vietnam, and engage in negotiations with it. In accordance with the aspirations of the people of South Vietnam and the spirit of the 1954 Geneva Agreements on Vietnam, the National Front for Liberation is fighting to achieve independence, democracy, peace and neutrality in South Vietnam, and to advance towards the peaceful reunification of the fatherland. If the United States really respects the right to self-determination of the people of South Vietnam, it cannot but approve this correct programme of the National Front for Liberation.

The 14 points of the United States boil down to this: the United States is trying hard to cling to South Vietnam, to maintain there the puppet administration rigged up by it, and to perpetuate the partition of Vietnam.

In his January 12, 1966, message read before the U.S. Congress, President Johnson affirmed that it was the policy of the United States not to pull out of South Vietnam, and he forced the Vietnamese people to choose between "peace and the ravages of a conflict". That is an impudent threat, an attempt to impose on the Vietnamese people the conditions of the so-called U.S. "unconditional discussions".

The Vietnamese people will never submit to the U.S. imperialists' threats.

At the very moment when the U.S. Government puts forward the so-called new "peace efforts", it is frantically increasing the U.S. strength in South Vietnam. It is stepping up the terrorist raids, resorting to the "scorched earth" policy, burning all, destroying all, killing all, using napalm-bombs, poison gases and toxic chemicals to burn down villages and massacre the civilian population in vast areas of South Vietnam.

I strongly protest against such extremely barbarous methods of warfare. I earnestly call on all peace-loving governments and peoples the world over to resolutely stay the hands of the U.S. war criminals.

The United States keeps sending its planes on espionage flights in preparation for new air attacks on the Democratic Republic of Vietnam.

On the other hand, it is launching air attacks on many areas in the Kingdom of Laos, and multiplying armed provocations against the Kingdom of Cambodia, thus posing an even more serious menace to peace in Indochina.

Obviously, the U.S. "search for peace" is only designed to conceal its schemes for intensified war of aggression. The Johnson Administration's stand remains: aggression and expansion of the war.

To settle the Vietnam question, the Government of the Democratic Republic of Vietnam has put forward the four-point stand which is an expression of the essential provisions of the 1954 Geneva Agreements on Vietnam. This is a stand of peace.

Having gone through over 20 years of war, the Vietnamese people desire peace more eagerly than anyone else to build their life. But real peace can by no means be dissociated from genuine independence. So long as the U.S. army of aggression still remains on our soil, our people will resolutely fight against it. If the U.S. Government really wants a peaceful settlement, it must accept the four-point stand of the Government of the Democratic Republic of Vietnam, and prove this by actual deeds; it must end unconditionally and for good all bombing raids and other war acts against the Democratic Republic of Vietnam. Only in this way can a political solution to the Vietnam problem be envisaged.

Your Excellency,

Canada is a member of the International Commission for the Supervision and Control of the Implementation of the 1954 Geneva Agreements on Vietnam.

In face of the extremely serious situation brought about by the United States in Vietnam, I hope that Your Government will fulfil its obligations under the Geneva Agreements.

I take this opportunity to renew to Your Excellency the assurances of my high consideration.

HO CHI MINH  
President  
of the Democratic Republic of Vietnam

#### FOUR-POINT STAND OF THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF VIETNAM

The unswerving policy of the Government of the Democratic Republic of Vietnam is to strictly respect the 1954 Geneva Agreements on Vietnam, and to correctly implement their basic provisions as embodied in the following points:

1. Reaffirmation of the basic national rights of the Vietnamese people: peace, independence, sovereignty, unity and territorial integrity. In accordance with the Geneva Agreements, the U.S. Government must withdraw from South Vietnam all U.S. troops, military personnel and weapons of all kinds, dismantle all U.S. military bases there, cancel its "military alliance" with South Vietnam. The U.S. Government must end its policy of intervention and aggression in South Vietnam. In accordance with the Geneva Agreements, the U.S. Government must stop its acts of war against North Vietnam, cease all encroachments on the territory and sovereignty of the Democratic Republic of Vietnam.

2. Pending the peaceful reunification of Vietnam, while Vietnam is still temporarily divided into two zones, the military provisions of the 1954 Geneva Agreements on Vietnam must be strictly respected: the two zones must refrain from joining any military alliance with foreign countries, and there must be no foreign military bases, troops and military personnel on their respective territory.



3. The internal affairs of South Vietnam must be settled by the people of South Vietnam themselves, in accordance with the programme of the South Vietnam National Front for Liberation without any foreign interference.

4. The peaceful reunification of Vietnam is to be settled by the Vietnamese people in both zones, without any foreign interference.

This stand unquestionably enjoys the approval and support of all peace-and justice-loving governments and peoples in the world.

The Government of the Democratic Republic of Vietnam holds that the above-mentioned stand is the basis for the soundest political settlement of the Vietnam problem. If this basis is accepted, favourable conditions will be created for the peaceful settlement of the Vietnam problem and it will be possible to consider the reconvening of an international conference of the type of the 1954 Geneva Conference on Vietnam.

The Government of the Democratic Republic of Vietnam declares that any approach contrary to the above stand is irrelevant; any approach leading to a UN intervention in the Vietnam situation is also irrelevant, because such approaches are basically at variance with the 1954 Geneva Agreements on Vietnam.

(Excerpts from Prime Minister PHAM VAN DONG's Report to the DRV National Assembly -- April 8, 1965)

## APPENDIX II

Ottawa, February 28, 1966

His Excellency  
Ho Chi Minh,  
President of the Democratic  
Republic of Vietnam.

Dear Mr. President,

I have read with interest your letter of January 24 which was addressed to Canada as a member of the International Commission for Supervision and Control in Vietnam.

You will not expect me to share the interpretation of the nature of the problem in Vietnam and the origins of the present conflict which is set forth in your letter. I do not believe, however, that it would serve any useful purpose at this time to dwell on our differences, other than to note that they exist.

What concerns me, as it does the people of Canada, is the tragic toll in human suffering and the threat to international peace which the continuation of the conflict in Vietnam involves.

I am convinced that the use of force is not an acceptable means of attaining political objectives in the world as it is constituted today. That is why Canada has urged all parties to the conflict in Vietnam to pursue a course of negotiation. It is in this direction that we see the prospects of a fair and lasting settlement which will take account of the freely expressed aspirations of all the people of Vietnam.

For these reasons I have been deeply disappointed by the failure so far of all efforts to promote unconditional discussions on Vietnam. I have carefully studied the positions which have been put forward by the main parties to the conflict. While these positions are still very far apart, I believe that they show some common elements on which a foundation of peace can be built.

It is not for Canada to prescribe to the Vietnamese people how they shall order their political life and institutions. That is for the people of Vietnam themselves to decide freely when the time comes. But the present course of developments in Vietnam is a source of legitimate concern to the international community and it is my firm hope that it can be reversed before all avenues to a peaceful settlement are closed.

In your letter you refer to the obligations which the members of the International Commission for Supervision and Control have in the serious current situation in Vietnam. As a member of that Commission Canada has at all times endeavoured to carry out its obligations in a spirit of objectivity and impartiality towards the facts as we know them. I can assure you that we will continue to do so to the best of our capacity.



I also hope that the International Commission may be able to play some part in helping to restore peace in Vietnam. It seems to me that, by virtue of its long association with the problem and the advantage of access it has to all the parties to the present conflict, the Commission is in a unique position to play such a part. As far as my Government is concerned, it is prepared to explore all possibilities that may be open to the Commission in present circumstances to exert its efforts in the direction of peace.

Yours sincerely,

(signed) Lester B. Pearson



CANADA

# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/15

## IMPLICATIONS OF FRENCH NATO POLICY

Statement to the House of Commons Standing Committee on External Affairs on April 4, 1966, by the Secretary of State for External Affairs, the Honourable Paul Martin.

Article XIII of the North Atlantic Treaty permits signatories to opt out in 1969, the twentieth anniversary of its conclusion. The year 1969, for this good reason, has been regarded as the year for stocktaking. It was with this in mind that, in December 1964, I proposed on behalf of the Canadian Government, at the NATO ministerial meeting, that the North Atlantic Council should undertake a review of the future of the alliance. Although this proposal was approved by the 14 other members of the NATO alliance, nevertheless the idea was not pursued because the President of France had begun to articulate his nation's dissatisfaction with the NATO organization and no one wanted to precipitate a premature confrontation.

It is now less than a month since the French Government first formally informed their NATO allies of their decision to withdraw from the integrated defence arrangements....

My view and that of the Government of Canada is that NATO has served a useful purpose. I take it from the reaction the other day to the Canadian position on the French announcement that this view, generally speaking, reflects the opinion of the political parties in Parliament. We have only to cast our minds back to the immediate postwar period; Europe was then unsteadily extricating itself from the morass left by the Second World War and Stalin was pressing in every way to extend his influence through Western Europe to the Atlantic. The picture has now changed, as President de Gaulle has said. It is not unreasonable to ask: "IS the alliance still necessary? Is General de Gaulle right in advocating the end of the integrated military organization of the alliance? Is the strategic concept of the alliance still valid? Is it time to leave the defence of Europe to the Europeans?" These are questions that are being asked at the present time, and they are fair questions. Naturally, by virtue of my own responsibilities, I have been asking myself some of these questions. It may be helpful if I began what I have to say on the situation in NATO resulting from the French action by summarizing the main elements of the position now taken by our NATO ally, France. These comprise:

(1) a decision to withdraw French forces from NATO's integrated military structure and French officers from the integrated headquarters, these decisions to take effect on July 1, 1966;



(2) a decision to require the removal from France of the two integrated military headquarters known as SHAPE and the Central European Command. France has proposed that the removal be completed by April 1, 1967;

(3) a decision to require the withdrawal from France of foreign forces and bases. France has proposed that the United States and Canadian bases be withdrawn by April 1, 1967;

(4) France has indicated a wish to retain its forces in Germany, while transferring them from NATO to French command.

(5) France intends to leave its forces in Berlin, where they are established on the basis of occupation rights and where there is a tripartite command.

(6) France has indicated a willingness to negotiate arrangements for establishing, in peacetime, French liaison missions with NATO commands.

(7) France has indicated a readiness to enter into separate conversations with Canada and the United States to determine the military facilities which the respective governments might mutually grant to each other in wartime.

(8) France intends to remain a party to the North Atlantic Treaty and to participate in the activities of the NATO Council. This, as I understand it, is the position taken by the Government of France.

It is only fair to note that these positions have been previously stated, in one form or another, by the President of the French Republic during the last two years.

This last element of the French position is naturally welcomed by the Canadian Government as an indication of France's desire to continue its formal association with the other parties to the Treaty. It will, I need hardly add, be the concern of the Canadian Government to encourage French participation to the greatest extent feasible.

It is evident that some of the French objectives can be attained by unilateral action; for example, the withdrawal of French troops from SACEUR's command and of French officers from the combined headquarters. Some other objectives will require negotiations over modalities and the timing -- for example, the withdrawal of NATO headquarters and of foreign bases from French territory. Finally, some proposals depend on working out arrangements with other members of the alliance and will involve negotiations on substance -- for example, the presence and role of French troops in Germany and the liaison arrangements which might be established between French and NATO commands.

It must be clear to the members of the Committee that the French proposals raise a host of problems, the range of which has not been fully determined. They raise questions with political, military, financial, and legal implications. We are examining these questions with our allies, informally with the 14 other than France and, where appropriate, with France and the 14. We are, as well, engaged in an examination of the contractual situation, and the documentation in that connection is now being carefully examined by our legal officers.

The first French aide-mémoire also sets out briefly the reasons which, in the view of President de Gaulle, justify the position which he takes. The following arguments are listed:

First, he argues that the threat to Western Europe has changed and no longer has the immediate and menacing character it once had; he says that the countries of Europe have restored their economies and recovered their earlier strength; he argues that France is developing an atomic armament which is not susceptible of being integrated within the NATO forces; that the nuclear stalemate has transformed the conditions of Western defence; and that Europe is no longer the centre of international crises.

These are observations with which I imagine we are all more or less in agreement. But do they, singly or jointly, justify the conclusion drawn by the French Government that integrated defence arrangements are no longer required for the defence of Western Europe?

Let me examine each of the French arguments in turn:

First, the threat to Western Europe. Over the years the Soviet Union has steadily strengthened its military forces in Eastern Germany and in the European area in general. These forces are now stronger than at any time since the end of the Second World War. While I recognize that the likelihood of an actual attack has diminished, the effectiveness of NATO's defence arrangements has been, and remains, a factor in this favourable turn of events. Moreover, it is considered prudent to base defence policy on the known capabilities of a possible enemy rather than on his declared intentions, or even his supposed intentions as we may rightly or wrongly assess them. To avoid any possible misinterpretation, I also want to make clear my conviction that NATO countries should avoid provocation of the Soviet Union. On the contrary, Canada strongly favours the promotion of better understanding between the Soviet Union and the Western countries. But, as the Cuban experience of 1962 demonstrated, progress towards better relations may be greater when it is clear that there is no alternative to accommodation.

Secondly, Europe's recovery. It is, of course, true that the European countries have greatly strengthened their positions in every way. We applaud this development. We know that the generosity of the United States, through the Marshall Plan, greatly contributed to this happy consequence. We have, in fact, been assuming that this would in time enable the Western European states to take on increasing responsibility for European defence, possibly within the framework of new co-operative arrangements among the European members of the alliance. The French action may have set back this prospect, as it has the immediate effect of dividing the countries of Europe over what their defence policies should be.

Thirdly, it is a fact that France has developed an independent nuclear force. But, as we see it, this is not an argument against the integration of other forces. The United Kingdom has demonstrated that the acquisition of a strategic nuclear force does not require the withdrawal of other national forces from the unified command and planning arrangements.



Fourthly, it is true that a nuclear stalemate had developed in place of the earlier United States nuclear monopoly. But this is not new. It has been the case for ten years. Moreover, this fact has not diminished the need for unified planning, if the European countries are to make an effective contribution to the defence of Europe.

Fifthly, I also acknowledge that Europe is not at present the centre of international crises. But, until there is a political settlement in Central Europe, it will remain an area of potential crisis, particularly if the arrangements which have brought about stability in the area should be upset.

In my judgment, and in the judgment of the Canadian Government, the arguments presented in the French aide-mémoire do not support the conclusion that unified command and planning arrangements are no longer necessary for the defence of Western Europe.

It is striking that all of the other members of NATO have joined in reaffirming their belief in the need for unified command and planning arrangements in a declaration, the text of which I communicated to the House of Commons on March 18. I expect members of the External Affairs Committee and the Defence Committee will be interested to know that the strongest support for the integrated military arrangements has come from the smaller members of the alliance, who consider that the only way to assure their defence is by pooling their contributions in a common effort. It seems to me that, if the principle of an alliance is accepted, the experience of the last two world wars and the requirements of modern weapons demonstrate the need for unified command and joint planning. Indeed, one of the most remarkable successes of the postwar world has been the development within NATO of effective peacetime arrangements for military co-operation.

I have explained why we and other members of NATO are not persuaded by the French arguments. I wish now to examine the implications of the actions which have been taken by the French Government.

Providing NATO itself does not disintegrate (and I see no danger of that happening), the immediate military consequences of the French action are thought to be manageable. France has already withdrawn from NATO command, during the last six years, most of its previously integrated forces. The net loss in forces available to NATO from the announced withdrawal, while significant, will not be too serious, particularly if workable arrangements can be devised for maintaining French troops in Germany. But the loss for practical purposes of French land and air space has strategic implications for the defence of Western Europe, which will have to be carefully studied.

Even more worrying to my mind are the possible political implications. These consequences are, of course, still quite uncertain, so that it is possible to speak only in the most general and cautious terms. But it is obvious that the French actions may weaken the unity of the alliance. This would, in turn, jeopardize the stability of Central Europe, which has been built on allied unity and particularly on French, British, and American solidarity in Berlin and in Germany. I do not want to elaborate,

but it is possible to anticipate that French bilateral relations with some of the NATO allies, particularly those who carry the larger burdens, will be put under strain. The balance of forces within the alliance will of necessity be altered. Finally, France's example could stimulate nationalist tendencies which have been encouragingly absent in Western Europe since the last war.

The Canadian Government is not unsympathetic to many of the considerations which underlie the French wish for change. We know that circumstances in the world have changed since NATO was established. We have long believed that members of the alliance, particularly those such as France which have spoken of the need for change, should present concrete proposals to encourage consultation within the alliance.

It is reasonable to look towards a greater acceptance of responsibility by Europeans for the defence of Western Europe. However, any North American move to disengage militarily from Europe will be dangerously premature until the European countries have made the necessary political and institutional arrangements to take over the responsibilities involved. It follows, at this time of uncertainty about NATO's future, that Canada should avoid action which would create unnecessary strain or otherwise impair the solidarity of the alliance. This need not and should not preclude us from making adjustments, in the interest of economy and efficiency, in the manner in which we contribute to European defence. And we should seek to ensure that there is a constructive evolution in the organization of the alliance; and we should take advantage of the actions taken by the Government of France to do exactly what we ourselves proposed in the fall of 1964, which is to engage in serious examination of the state of the alliance.

In so far as the Canadian bases in France are concerned, the Government of France has taken unilateral action. It appears to be a final decision. At any rate, it has stated that it would like to see the Canadian bases withdrawn by April 1, 1967, although I express the hope, and have no doubt, that the French Government will be prepared to negotiate mutually acceptable arrangements, including compensation and dates for the withdrawal of the bases. Since the objective of sending Canadian troops to Europe was to contribute to the integrated defence arrangements from which France is withdrawing, this Government has accepted the logic that Canadian forces in France cannot outstay their welcome. They will have to be moved elsewhere.

I referred earlier to the determination of other members of NATO to preserve the effective arrangements which have been worked out for joint planning and unified command. This is only prudent, and Canada fully shares this determination. This will provide a continuing defence against the Soviet military capacity still directed at Western Europe. It will help preserve the precarious stability in Central Europe. Moreover, under the present integrated defence arrangements, there being no German general staff, Germany has placed all its troops directly under NATO commanders. The dismantling of the existing structure would lead to the reversion of all European forces to national command.



Inevitably, our attention in the near future will be taken up with handling the immediate consequences of the French action. But we shall not lose sight of the need for NATO to adjust to the changing circumstances since the alliance was concluded. Indeed, the adjustments which the French action will require of the existing military arrangements provide opportunities, as I said earlier, which we intend to take to examine with our allies the possibilities for developing improvements in the NATO structure and to consider how the alliance should develop in the long run, and also to consider what reductions and what savings can be effected without impairing the efficiency of the Organization, or of our contribution to it.

Although I am speaking about NATO, I wish to emphasize that--to the extent this depends on Canada--we will not allow our disappointment to affect Canada's bilateral relations with France. The Canadian Government has been working steadily to improve and intensify our relations with France. For our part we will not interrupt this process. Differences over defence policy need not impair the development of our bilateral relations in the political, economic, cultural, and technical fields.

For instance, we are sending an economic mission to France within the course of a few weeks, which will be representative both of government and of business, designed to encourage further trade relations between France and Canada. There certainly will be no interruption between these and other contacts that we have established and continue to establish with France. These are matters which can and should be kept separate from defence arrangements within NATO. In all this, we assume that the French Government agrees that this is a desirable approach, and we have no reason to doubt that this is their view.

I want to conclude this part of my statement by referring again to the objectives which the Canadian Government intends to follow in the situation created by the French action.

In NATO, our policy will be, firstly, to seek, in consultation with our allies, including France as far as possible, to limit the damage to the unity and effectiveness of the alliance, and to recreate a relationship of mutual confidence among all the members; secondly, to help preserve the essential features of NATO's existing system of unified command and joint planning for collective defence; thirdly, to continue to maintain an appropriate contribution to NATO's collective defence system; fourthly, to take every opportunity to examine with our allies possibilities for developing improvements to the NATO structure and to consider the future of the alliance in the long run.

With regard to France, the Government will, firstly, negotiate, either bilaterally or multilaterally as appropriate, fair and reasonable arrangements for those adjustments which may be required as a result of French withdrawal from NATO's integrated defence arrangements; secondly, leave the door open for the eventual return of France to full participation in the collective activities of the alliance, should France so decide. Finally, we will continue, notwithstanding NATO differences and with the co-operation of the French authorities, to develop our bilateral relations with France....



## STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/16

### THE USE OF SANCTIONS AGAINST RHODESIA

Statement on April 4, 1966, by the Secretary of State for External Affairs, the Honourable Paul Martin, to the Standing Committee of the House of Commons on External Affairs.

This Rhodesian declaration of independence has precipitated an African crisis which could have the greatest implications for the Commonwealth. The illegal regime in Rhodesia is attempting to perpetuate a system whereby the white settlers, who are one-sixteenth of the population, maintain effective political domination over the black majority, who are fifteen-sixteenths of the population.

This has naturally placed a severe strain on relations within the multi-racial Commonwealth and between the West and African states.

I should emphasize at the outset that Rhodesia is British territory. The illegal declaration of independence of November 11, 1965, has not been accepted by Britain, or any other state, and the British Government remains responsible for this territory and for the conditions to govern Rhodesian independence. Negotiations between the British and Rhodesian Governments went on for several years before the illegal declaration of independence last November by Mr. Smith. The negotiations were broken off by the Rhodesians. It then fell to the British Government to decide how to restore a legal situation in Rhodesia, and the decision was to employ economic measures rather than force. Throughout, Britain has clearly had the primary responsibility for Rhodesia. It is the colonial power.

At the same time, in view of Rhodesia's importance to race relations in Africa, and, in view of the multi-racial nature of the Commonwealth, Britain has fully recognized that the Rhodesian question is a matter of legitimate and strong Commonwealth concern. At the 1964 prime ministers' conference, there was an extensive discussion of Rhodesia and a lengthy reference to the question in the communiqué, which includes a statement of the view of Commonwealth prime ministers that independence should take place on the basis of majority rule and that a unilateral declaration of independence would not be recognized. The issue was discussed in 1965 and again referred to in the communiqué in which the Commonwealth prime ministers reaffirmed--all of them--that they were "irrevocably opposed" to any UDI.



Up to last November, Canada had normal relations with the Rhodesian Government, and the Canadian Government had already sent a confidential message to the Rhodesian Government some time before the 1965 conference pointing out the grave consequences of a unilateral declaration of independence. This warning was repeated again in the succeeding months.

I myself received representatives of the Government of Rhodesia during the last two and a half years prior to UDI and explained our position, as have other governments in and outside the Commonwealth.

After the unilateral declaration of independence, many Commonwealth countries reacted very strongly, as had been generally anticipated. Various African governments argued that Britain should use force in putting down the illegal Smith régime, as Britain had already done in dealing with civil disorders and revolts in other colonies and dependencies. The Council of Ministers of the Organization of African Unity passed a resolution early in December calling on all member states to sever relations with Britain if the Smith régime was not "crushed" before mid-December. Following this resolution, various countries, including two Commonwealth members, Ghana and Tanzania, withdrew their missions from London. In an attempt to minimize the damage of this breach, Canada assumed the role of protecting power for Britain in Tanzania and for Tanzania in Britain. Ghana has since restored diplomatic relations. It is a matter of great significance to Commonwealth unity when action of this kind takes place.

It was in these circumstances that the Nigerian Government took the initiative in proposing a special Commonwealth conference on Rhodesia. As in the past, one of the purposes of the conference was to discuss differing opinions on how to deal with the Rhodesian issue so that these differing opinions should not result in a split in the Commonwealth along racial lines.

I would not want to disguise in any way our concern as of last December about what the action of countries in withdrawing missions from a Commonwealth country could mean to Commonwealth unity. We are heartened, however, by the fact that President Nyerere did indicate that in withdrawing his mission from London there was no intention on the part of Tanzania to withdraw from the Commonwealth. Our concern about this Rhodesian question was not fully but largely based upon our concern for the continued integrity and unity of the Commonwealth, an organism which we believe plays a very vital role at the present time.

At the Lagos conference, Britain welcomed the proposal of Prime Minister Pearson which led to the establishment of two continuing Commonwealth committees. The most important of these, the Sanctions Committee, now chaired by the Canadian High Commissioner in London, is maintaining a review of the sanctions against Rhodesia and considering ways and means of making them more effective. When he was in Ottawa last week, Mr. Chevrier and I had a very useful discussion and reviewed the work of the Committee. It is due to meet again this week. Its tasks include co-ordinating aid to Zambia, which, of course, is an integral aspect of the Rhodesian situation. A second Commonwealth committee is planning a large-scale programme of training for Rhodesian Africans which will come into effect when constitutional government is restored. This

will help to prepare the ground for a viable independent state under a multi-racial administration by training for their new responsibilities leaders, officials, and technicians from the African majority. These committees are a new type of Commonwealth machinery, in that they have been established by the prime ministers for a limited and finite purpose and with some duties which are of a rather wider and less technical nature than those normally carried out by Commonwealth institutions.

The work of these committees was naturally among the subjects discussed with the Commonwealth Secretary-General, Mr. Arnold Smith, during his visit to Ottawa last week. This was a valuable opportunity to discuss many aspects of the Rhodesian question, particularly from the point of view of its implications for the Commonwealth. I may not agree with the kind of emphasis that Mr. Arnold Smith gave to this question, but I will agree that the implications of the Rhodesian problem for peace in the world are very great.

Rhodesia is not, of course, of concern only to the Commonwealth and to Africa. World concern about Rhodesia has been expressed through the United Nations, and the Rhodesia problem has been before the General Assembly and Security Council of the United Nations a number of times in the past three or four years. The issues involved must be understood in the light of developments in modern Africa, with its many new sovereign independent states.

After the unilateral declaration of independence, it was the British Government itself which raised the issue in the Security Council. Britain asked the members of the United Nations to join with her in making effective the economic measures taken against Rhodesia. It was obvious that the co-operation of other nations, particularly the principal trading nations of the world, was necessary if the economic sanctions were to be effective.

The experience of the international community with sanctions is very limited. In fact, I think this is the first instance where a programme of economic sanctions, even though on a non-mandatory basis, has been imposed, unless one were to include the decisions of the Security Council in August of 1963 urging member states of the United Nations to take action in regard to the situation in South Africa.

On November 20, the Security Council adopted a resolution by ten votes to none with one abstention recommending the severance of all economic relations between member states and Rhodesia, including an oil embargo.

Canada has acted in support of Britain's policy of ending the illegal situation by non-military means; and, as a member of the Commonwealth, has acted in concert with Britain and other members of the Commonwealth and through Commonwealth institutions. Canadian economic measures have been taken together with other major trading countries, including the U.S.A. and Western European nations, and in compliance with the Security Council resolution of November 20. This is in accordance with the basic Canadian policy of strong support for the UN in grave situations of this kind.



The Canadian belief in multi-racialism and non-discrimination has also been a reason for action over Rhodesia.

I am sure that, if such a stand were not taken by a Commonwealth country or by the Commonwealth as a whole, the integrity and the unity of the Commonwealth would be impaired as it has never been before. Canada opposed the unilateral declaration of independence because it was designed to perpetuate a system of racial inequality and discrimination wholly inconsistent with the basic principle of the new multi-racial Commonwealth. If the Commonwealth is to be maintained, I repeat, Canada cannot give comfort to those who support racial discrimination.

I can very well understand that there may be views of members of the Committee that are not completely consistent with Government policy but that nevertheless appear to give recognition to the multi-racial character of the Commonwealth.

The Canadian Government sincerely believed that Rhodesia should not become independent on the basis of the 1961 constitution unless it was substantially modified. In theory, the 1961 constitution could eventually produce majority rule in the country, when sufficient Africans reached the required property and educational level to obtain the franchise for election to 50 out of the 65 seats in the Rhodesian Legislative Assembly. These educational and property qualifications are so high in terms of conditions in Rhodesia that only a very small percentage of the Africans in Rhodesia qualify to vote for these 50 seats. The qualifications of the remaining 15 seats are lower, and all but one are now occupied by Africans. However, 14 seats out of 65 is a long way short of a majority. Mr. Smith and his followers have made it plain that they did not expect Africans to become the majority of the electorate in their lifetime. It seems clear that the Smith Government made its illegal declaration because Mr. Smith and his followers were unwilling to accept the basis which would assure the attainment of a fair political voice to the majority of the population within a reasonably short period rather than the very long and indefinite period desired by the illegal Government of Mr. Smith. They knew that the consent of the people of Rhodesia as a whole required by Britain would not be given to independence based on the 1961 constitution as it stood.

Public opinion in Canada and other Commonwealth countries could not contemplate as a fellow member a country which practised discrimination not only through the franchise but in a variety of ways. Rhodesian legislation keeps for the exclusive use of white settlers much of the best agricultural land in Rhodesia. The illegal régime has imposed press and radio censorship of increasing intensity. Hundreds of Africans, and one white Rhodesian, have been interned or restricted without trial for political reasons.

I should point out that the Rhodesian crisis threatens not only relations within the Commonwealth but also Western relations with Africa in general, good relations between the races all over Africa, and stability within African countries. Economic development is being threatened by this instability and by trade dislocation resulting from the necessary economic sanctions. This is not only damaging to Africa but to Western economic relations with that continent, both in the short and long term.

Another basic reason why Canada is applying economic sanctions to Rhodesia is that such means are much preferable to the use of force, which is always to be avoided if possible.

I can say to the Committee that the possible use of force in certain situations in this matter must be regarded with the gravest concern. It is not merely a question of police action; this is a situation that could have implications and consequences far beyond the mere exercise of police power.

Military operations could have explosive effects on the whole of Africa and grave international repercussions. The British have not precluded the use of force to restore law and order in Rhodesia, but the British Government has declared that it is unwilling to use force in existing circumstances, and this is a matter where the British Government alone is constitutionally responsible.

The sanctions campaign against the illegal regime which has only been in operation for a relatively short time, as I stated in the House of Commons, has not produced the swift results that some had expected, but there is no doubt that the sanctions are adversely affecting the Rhodesian economy. How long it would take for this campaign to produce the desired result I do not know. It is a field in which predictions are inherently difficult. In this case also, the result may well be obtained at a point well short of economic collapse. When Mr. Smith's followers realize that the growing economic dislocation resulting from the UDI is not a temporary phenomenon but rather that their trade will continue indefinitely and progressively to be damaged by sanctions and that their economic prospects are distinctly bleak, they should realize their mistake in backing his illegal action. It is therefore very important to keep up the economic pressure on the illegal régime to make clear to its supporters that there is to be no slackening but rather an increase in the efforts of countries applying the sanctions. We attach importance to the general embargo on exports to Rhodesia by the United States on March 18.

What action will be taken in the United Nations if the sanctions do not give evidence of greater success remains to be seen. Action under Chapter VII of the United Nations Charter could be confined to oil sanctions, or it could be confined to other sanctions.

Speaking for the Canadian Government and knowing what this means to the Commonwealth as a whole, we cannot in any way relent in our conviction and in our effort, within the limitations that we have prescribed for ourselves, to see this matter through. Nothing less than the interests of the Commonwealth is involved in this situation.

A major Canadian contribution, apart from the total embargoes on exports and imports that we have authorized, has been the Canadian contribution to the Zambia airlift. This airlift was necessitated by the action of the illegal regime in cutting off the supply of oil products to Zambia in December of last year after the embargo commenced against Rhodesia. Zambia was almost wholly dependent on Rhodesia for oil products from the refinery inside Rhodesia.



Now, far from being ineffective, this airlift has enabled Zambia to maintain and build up its oil stocks to the point where, with increased use of road transportation, the airlift itself may be reduced or become unnecessary in a few weeks time. This has been a useful undertaking and one most effectively carried out by the Royal Canadian Air Force. Our participation was originally intended for a period of one month, starting late in December. We subsequently agreed at the request of the British and Zambian Governments to continue the airlift until the end of April. The position now is being reviewed. I might say that the airlift has cost Canada up to March 31, \$1,125,000....

We have to consider the question of Rhodesia alongside other questions that require settlement at this particularly difficult period in our relations with other countries in the Commonwealth, in the United Nations and outside. Our policies in respect of all of these questions is a reflection of the responsibility of any state in the interdependent world in which we live to make its contribution toward removing international sources of friction and to the establishment of peace in the world.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/17

### THE NEW NATO SITUATION

Speech by the Secretary of State for External Affairs, the Honourable Paul Martin, at the National Newspaper Awards Dinner, Toronto, April 16, 1966.

I am grateful, Mr. Chairman, for the very kind invitation extended to me by the sponsors of the National Newspaper Awards Dinner. It is particularly interesting to be here when the National Newspaper Awards are given. I should like to extend my personal congratulations to those receiving awards for particular merit in a year which has, I understand, seen a great many entries in the competition.

I am also happy, Mr. Chairman, to be present at a banquet bringing together representatives of both the English-and French-language press. I repeat my congratulations to those writers in French whose outstanding merit has been recognized in various ways in this year's awards.

I have noted that there has been a growing tendency on the part of newspapers in one language group to carry articles reflecting the current points of view in newspapers of the other group. This is a welcome contribution to the growth of understanding between different sections of the country.

I have a natural interest also in the part played by the press in the formulation of public attitudes about foreign policy. As the Minister responsible for external affairs, I can explain the nature and background of current Government policy. The debate about the national interest in world affairs should, however, be conducted in much wider terms by all who feel an interest and have a viewpoint to express. The press has a particularly important task in this field of stimulating and focussing this discussion. I hope that, in gathering news and in commenting on its significance, newspapers will not be unduly influenced by the expression of views elsewhere. I hope that they will subject all developments to a rigorous examination in terms of Canadian interests and viewpoints. This is one of the greatest contributions which the press can make to the expression of public attitudes which will help to guide the formulation of policy.



In the past month or so, the question of the attitude of the Government of France toward the North Atlantic Treaty Organization has been one of the foremost questions in public attention and in the preoccupations of the other governments. It has been a source of concern to me and the Canadian Government.

The French Government intends to withdraw French forces from NATO's integrated military structure and French officers from the integrated headquarters. It has asked that the two integrated military headquarters known as SHAPE and the Central European Command be removed from France. It has proposed that Canadian and United States bases be withdrawn by April 1, 1967. The French Government is fully prepared to find a way to retain its forces in Germany and Berlin while transferring them from NATO to French command.

France intends, however, to remain a party to the North Atlantic Treaty and to participate in the activities of the NATO Council.

The other 14 members of NATO, including Canada, issued a declaration on March 18 that:

"the Atlantic alliance has ensured its efficacy as an instrument of defence and deterrence by the maintenance in peacetime of an integrated and interdependent military organization in which, as in no previous alliance in history, the efforts and resources of each are combined for the common security of all. We are convinced that this organization is essential and will continue."

I made it clear that the Canadian Government regretted the French decision and was not persuaded by the arguments which the French Government had used to justify its actions. I have also emphasized that we cherished our association with France, did not question France's dedication to the ideals in international relations which have guided the Western countries and hoped to continue to develop our very friendly relations with that nation.

I list the objectives which the Canadian Government intends to follow in the situation created by the proposed French action. In NATO our policy will be:

First, to seek, in consultation with our allies, including France as far as possible, to limit the damage to the unity and effectiveness of the alliance, and to recreate a relationship of mutual confidence among all the members.

Secondly, to help preserve the essential features of NATO's existing system of unified command and joint planning for collective defence.

Thirdly, to continue to maintain an appropriate contribution to NATO's collective defence system.

Fourthly, to take every opportunity to examine with our allies possibilities for developing improvements to the NATO structure and to consider the future of the alliance in the long run.

With regard to France, the Government will:

First, negotiate with France, either bilaterally or multilaterally as appropriate, fair and reasonable arrangements for those adjustments which may be required as a result of French withdrawal from NATO's integrated defence arrangements.

Secondly, leave the door open for the eventual return of France to full participation in the collective activities of the alliance, should France so decide.

Thirdly, continue, notwithstanding NATO differences and with the co-operation of the French authorities, to develop our bilateral relations with France.

Around the French decisions and the reactions of their allies a good deal of debate has centred. I have no doubt that this debate will continue for some time as the full nature of French intentions becomes clearer and as all the complex rearrangements of a political, military, financial and organizational nature required by the French moves are carried out.

We must ask ourselves first of all what are the fundamental objectives which NATO is intended to serve. Last December, I described the Organization "not only as an assurance of security and as an avenue to peace but as an essential instrument of partnership among the Atlantic nations". We have entered into that partnership for the defence of an Atlantic and Western European community of nations and with the intention of achieving certain long-range objectives beneficial to all of Europe.

The alliance aimed first of all to achieve among member states the most efficient means of common defence against an aggressor. The defence system, in turn, encouraged a return of confidence and provided a shield for economic recovery. By committing important resources to a common defence effort and by entering into a degree of military integration which demanded mutual confidence, the nations concerned took a major step towards overcoming older nationalist rivalries. The NATO system has also provided the framework for the reintegration of Germans and German armed forces into European life.

What have been its functions and objectives in a wider European sense? In spite of their own propaganda, the Soviet Union and other Eastern European states have learned that the NATO alliance did not enter into any military adventurism. Its member states have made their influence felt in Eastern Europe in much saner ways -- by the appeal of trade, prosperity, political freedom and cultural diversity. At the same time, the alliance has made it clear that



provocative action from the other side with respect, for example, to Berlin would be resisted. It has also made clear that, in the end, only negotiation would bring about a real European settlement and with it, perhaps, measures of arms control or disarmament in the world generally.

The interests of Western Europe and North America in these ultimate questions of security and political settlement are inextricably mixed. It has been of the greatest importance, therefore, that the Atlantic states, through NATO and in other ways, should maintain unity and develop their common interests as a means of eventually achieving a broad European settlement with states to the East.

If the final purpose of the NATO arrangements is to be seen in these terms, then any major military or political move affecting the alliance must be considered, first and foremost, in terms of whether it will facilitate or hinder that ultimate European settlement. The disruption of existing military arrangements, the misunderstandings or difficulties between members of the alliance, are really secondary to this overriding question.

From this standpoint, we are concerned that the French decisions announced last month might prejudice negotiation towards an eventual European settlement. We cannot yet, of course, foresee all the political consequences of the French move. I recognize that there are those who see in the French action in making substantial changes in the nature of their participation in the alliance the possibility of somehow facilitating a European settlement.

It is difficult, however, to find satisfactory evidence that the measures of military integration involved in NATO have really prevented movement towards a European settlement. It is equally difficult to find evidence for the belief that what the French have done could be a breakthrough on the very difficult questions of European security in the broader sense and of German reunification.

We must pose the question whether more progress towards a settlement with the Soviet Union can be made by the action of an individual nation or by action based on policies agreed to beforehand and co-ordinated among members of the alliance.

It has been emphasized a good deal both in France and elsewhere in support of the recent French actions, that general international conditions have changed a good deal since NATO was created in 1949. This is true, but not necessarily relevant to the basic question of whether the pooling of resources and the creation of an effective international defence system in peacetime serve the long-term military and political interests of the participating states. Perhaps in recent years NATO has been too hesitant in bringing about changes in the existing arrangements to reflect changes in the relative strength of some members and new military and political developments. Surely changes are possible, however, without requiring withdrawal by one member from peacetime military integration.

It has also been claimed that the threat of war leading to the creation of NATO has dissipated and that the Soviet Union has many preoccupations other than Europe. It may be true that the Communist states have given up their hopes for an early triumph of Communism in Western Europe and that both the ideological tone of discussions and inter-state relations have improved. The Russians have advanced in some ways which are welcome to the West, but little change can be found in their basic policies on a settlement for Europe.

We must set alongside whatever evidence there may be of softening in Soviet attitudes the incontrovertible evidence brought forward by military specialists that, in the real terms of modern military power, there has been no weakening or withdrawal in the Soviet position.

A great deal has been made also of claims about a supposed loss of sovereignty or of scope for effective international action because of participation in the international organization set up under the North Atlantic Treaty.

It is quite true that NATO nations, by the free exercise of their sovereignty, chose to enter into an alliance in the pursuit of certain common and overriding interests. They may have had to give priority to these interests in some cases over other national interests. But the alliance has scarcely become a political strait-jacket because of this. Indeed, critics of NATO on other occasions have pointed out that, on many matters involving the commitments of members elsewhere in the world or their relations with the Communist nations, there has been a considerable diversity in viewpoint.

Even if there has been room for diversity, of course, NATO countries have remained firmly together on the main issues of East-West relations. Recent French actions have created concern in the minds of some that French views might change on some of these main issues. In this connection, I am glad to note that Premier Pompidou indicated in a statement in the National Assembly on April 13 that there was no question of France reversing its stand on basic questions in East-West relations. This assurance has been particularly important, since it has come more or less on the eve of the trip of the French President to the Soviet Union.

It is certainly our hope that France will continue to identify itself with the points of view which have characterized the thinking of NATO members. It will be the objective of Canadian diplomacy to help ensure that the area of agreement between France and its allies is maintained and extended. It will equally be our objective to ensure that there are as few obstacles as possible to France's full partnership, if it decides in the future that an altered organizational structure really does serve France's interests.



I do not want to overemphasize the seriousness of certain problems when we are still at an early stage in assessing them. I would hope that, even if a policy of full withdrawal from military integration is pursued by the French Government, means will be found to work out co-operative relationships between France and the organization in the defence field which will mitigate to some extent the effects of that withdrawal.

I do want to emphasize what I have said about continuing to develop our relations with France. I have questioned the reasons brought forward so far by the French Government in support of their decision concerning NATO's integrated structure. It is very important, however, that this decision and our views about it should be seen in the framework of our general relations with France and of our esteem for the President of France.

We must always remember that we have a debt of gratitude to General de Gaulle for his contribution to our victory during the last war. He was the soul, the personification, the symbol of resistance. It was thanks to him that at the end of the war France was in her rightful place, with her traditional allies.

We must remember also that, as very few men have been able to do during their lifetime, at another critical hour in the history of his country, General de Gaulle intervened in a decisive fashion to set France on the path of stability, confidence and pride.

General de Gaulle belongs to the Western civilization and to the Atlantic community. He has contributed in unique fashion to its strength. We can join with the French people in paying tribute to his great achievements.

The peoples of Canada and France are forever conscious of the fact that twice in as many generations they have gone through the trial of war together. The essential point perhaps here is not so much that side by side we met the supreme trial that countries can face but that we committed our very national existence to the defence of the same values. France and Canada stand for the independence of nations large and small alike and for the supremacy of the spiritual values embodied in the individual. No country in the world can claim, over the centuries, to have done more than France to promote these fundamental principles of our civilization. For this and other reasons, we cherish our association with France.

When we consider France's views on NATO integration, we can have our doubts as to their validity, tactical or otherwise, but we do not question France's dedication to the ideals which have been the inspiration of her life and which have provided the basis for the partnership between France and Canada.

In entering upon the negotiations with France which will define her new position in the alliance, we seek sensible and effective arrangements which will enable us to advance towards the goals which we both acknowledge and we are both anxious to serve. There will

no doubt be difficulties and problems but there is much in common between us. We have no desire, therefore, to stress unduly what may turn out to be, if we are careful, temporary and relatively limited differences. We must not overlook the opportunities which may yet lie ahead for the improvement of the alliance and its organizations and for joint action in support of our common beliefs.

Beyond the immediate questions of removal of bases and the reorganization in the defence structure of the alliance, there lie the broader questions of NATO policy and of our relations with France. These call for a great effort to find ways of continuing to work together towards the objectives of Western policy in the Atlantic and European areas. They require an effort of statesmanship on the part of national leaders to ensure that we do not lose sight of the ultimate goals of the alliance - security, peace and partnership, and the final achievement of stability in an area of the world which has always been of vital interest to Canada.

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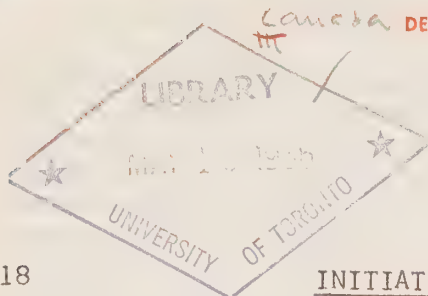






## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/18

### INITIATIVES FOR PEACE

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the Council of the World Veterans Federation, Ottawa, May 4, 1966.

Mr. President and Gentlemen:

On behalf of the Government of Canada, I am pleased to welcome the members of the Council of the World Veterans Federation to Ottawa. I have long admired the generous and practical support your organization has given to the idea of a peaceful and orderly society of nations. Moreover, the holding of your first Council meeting in Canada is an event with which the Government is proud to be associated.

I am the more pleased to be here tonight because I am able to announce a decision by the Government of Canada, subject to the approval of Parliament, to make a grant of \$5,000 towards the establishment by the World Veterans Federation of an international peace-keeping information centre. I can think of no organization more appropriately fitted to initiate and manage such a centre, which would have as its purpose to act as a clearing-house on peace-keeping research and to stimulate international interest in this vital subject. These are objectives with which Canadians, both inside and outside the Government, have been and continue to be closely identified. Indeed, it would not surprise me if individual Canadians were to make a significant contribution to the success of the centre. We have built up a good deal of knowledge on this subject, as the Prime Minister suggested to you the other day, and I am confident that much of this could be put at your disposal. It has not always been easy for scholars and others who may be interested to know where to turn for information about peace keeping. The centre will help to remedy this lack, and I look forward to receiving reports about its work.

You will be the first to acknowledge, however, that the measure of your success in this field will depend to some extent on the future of peace keeping itself. Will the states members of the United Nations permit that organization to continue to develop techniques of peace keeping? Will regional organizations find means of policing relations between their members? Or will this job again revert to powerful nations, whether bent on conquest or determined to resist aggression? For it is certain that the risks of international conflict are too great for nothing to be done when conflict begins.



If international restraints are inadequate, then we must expect that control will be imposed by those with the strength to do so, notwithstanding the attendant dangers of confrontation between those powers themselves.

You will not expect me to provide the answers to these questions, which are being debated now at the United Nations and by all those who follow these matters. There are no easy answers, but I think it can be said that the prospects of working out compromises between the various points of view represented at the United Nations are somewhat better than they were when I last spoke to the World Veterans Federation almost a year ago in Geneva. Most governments now recognize the need for compromise. There is a new readiness to re-examine old assumptions, to re-appraise the political forces at work, to look more critically at the relations between the Security Council and the General Assembly. It has been tacitly accepted that disagreement over issues of principle shall not be permitted to interrupt the practice of peace keeping. The operations in Cyprus, in Kashmir, and on the borders of Israel continue. Indeed, the UN was able to mount and carry to a successful conclusion a new operation after the eruption of fighting between India and Pakistan outside Kashmir last year. One may assume, therefore, a minimum consensus of view that the bedrock of common interest which underlies the clash of ideologies and sovereignties is often best exposed by the third-party and face-saving procedures of the United Nations. There are two essential elements in this process: one is that the mechanism of United Nations action, principally the organizing capacity of the Secretary-General, should be permitted to function efficiently; the second is that enough governments must be ready to respond when they are called upon to provide the personnel and the services required. So far these two conditions of success have been met.

Nevertheless, we would be wrong to expect too much. The growing difficulties of financing peace keeping, not only in Cyprus but now also in the Middle East, where the United Nations Emergency Force has been stationed for almost ten years, give serious cause for concern. These financial problems are really a symptom of another more fundamental ailment. This is that the very success of a peace-keeping operation may be measured by the return of more or less normal conditions, the continuation of which the parties will often regard as preferable to any alternative. In these circumstances, the UN may find itself upholding the status quo and thus face the prospect of an indefinite commitment. If a large force, and therefore relatively heavy costs, are involved, the question arises as to how the expenses are to be shared. No cost-sharing scheme will be acceptable for long unless the leading states pay their share. But one lesson we have learned is that there is little hope of this happening because there will always be states whose interest is not to uphold the status quo in a particular situation or who oppose outside intervention into what seem to be domestic affairs. So, as I see it, the root problem is one of finding some flexible relation between peace keeping and peace making, especially where comparatively large forces are required.

I should like to suggest two kinds of answer to this problem. The first is not to set our sights too high; to prefer, whenever it may be desirable, the sending of observers to the sending of forces; if observers would clearly be inadequate to do the job, then to make every effort to find an agreed system of cost sharing before a force is organized and deployed.

The second kind of answer, I would suggest, is to be found in the conception of a regular review of the mandate of a peace-keeping force, especially when collective assessment is not agreed as the method of financing the force. The main contributors to the force, both those contributing contingents and those contributing financial support, would therefore have some assurance that they had not taken on a commitment which appeared to be open-ended. The procedure of review would have to be intimately related to procedures for mediation or conciliation between the parties to the dispute. This would ensure that the parties would know in advance that the United Nations was not prepared to act indefinitely as a buffer between them, and that they would have some inducement to make continuing efforts to negotiate their differences.

Mr. President, I have pointed to possible ways of moving ahead towards the goal of an international policing system. I am, of course, concerned with the problems of today and tomorrow, which must inevitably be the primary concerns of governments. There is nothing unusual about that. I am reminded of some wise words by Dag Hammarskjöld, who never let his vision of the future blind him to the realities of the present. Speaking in 1956, he said: "Two of our most common human failings, indeed, seem to be our disrespect for the slow processes of time and our tendency to shift responsibility from ourselves to our institutions. It is too often our habit to see the goal, to declare it and, in declaring it, to assume that we shall automatically achieve it. This leads us to confuse ends with means, to label as failure what is in fact an historic step forward, and in general to mistake the lesser for the greater thing."

When we discuss the desire of the world community for peace our thoughts inevitably turn to the situation in Vietnam. The United Nations does not at present have any direct role in this conflict, although the question was, as you know, raised in the Security Council. Nevertheless, many of the problems we encounter in situations requiring United Nations peace-keeping efforts elsewhere are to be found in this tragic conflict in Southeast Asia. As a member of the International Control Commission in Vietnam, Canada has had ample opportunity to judge the situation and has taken any initiative possible which might create conditions for negotiation.

In a situation as difficult as the one now obtaining in Vietnam, there is, of course, no simple or immediate way to bring about the end of the fighting and to initiate negotiation. We think, however, that there is useful work to be done in clarifying the position of the parties involved to see where there are elements for negotiation in their respective positions. This exploration takes time and patience and in this situation, as in the situations involving United Nations peace keeping, there is no alternative to persistent effort and refusal to become discouraged.

In these explorations, nothing we have learned has persuaded us that the International Control Commission may not in due course be able to play a constructive role in ending the conflict. I am keeping in touch with the representatives of interested governments and, while I cannot say anything further at the moment about our efforts, I can assure you, because of your very great interest in peace in this or any other area of the world, that we shall never become discouraged in seeking to help bring about a solution.



Step by step, both through the agencies of the United Nations and through other activities of nations committed to peace, we are advancing towards the goal of international order and security. In these efforts, it is of the utmost importance to have public understanding and sympathy in many nations for the work of peace. I know that among the many organizations which work to achieve this understanding we can count on the World Veterans Federation to take a significant part in this vital endeavour.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 66/19

## PEACE IN THE MIDDLE EAST

Address by the Secretary of State for External Affairs,  
the Honourable Paul Martin, at the "Sam Lax Negev Dinner",  
at the Addis Israel Synagogue, in Hamilton, May 15, 1966.

...Peace in the Middle East, for Israel and for all countries in the region, has been one of the major objectives of the United Nations. Canada has, as you know, taken a prominent part in the work of the United Nations in this area. The nature of our contribution has been stated on many occasions. I refer to it again because of your continuing interest in the conditions which provide the ultimate guarantee that your effort and the effort of the people of Israel will bear fruit in tranquillity.

Canada provides the largest number of observers to the United Nations Truce Supervision Organization and has, in the past years, maintained close to 900 soldiers and officers with the United Nations Emergency Force stationed in the Gaza Strip and the Sinai Peninsula. The long duration of these peace-keeping operations has obviously led to a significant commitment of Canadian funds and manpower and has involved us in a self-denying role. Canada considers itself precluded, by reason of the impartiality called for by its UN role, from becoming a provider of significant arms or military equipment to the countries of the area. I am sure that you would understand how any action we might take towards supplying arms in that area could immediately prejudice our ability to work effectively towards peace and stability there.

This arduous and self-denying role Canada has, nonetheless, been willing to play since we have thereby made, we think, a substantial contribution to the containment of a dangerous situation and the prevention of escalation. We are prepared to continue to help in peace keeping as long as it is deemed essential for the maintenance of stability and the deterrence of conflict. Canada believes that by assisting in the maintenance of stability, both in the areas I have indicated and in the nearby island of Cyprus, it is making a major contribution to the creation of conditions which enable the countries of the area to pursue their own development. They will also contribute indirectly to the betterment of less-endowed areas. Amongst other examples, I am thinking here of Israel's assistance to certain African countries.

Canada has I think developed a sympathetic approach to and interest in Middle Eastern problems because of its experience there in recent years and its 18 years of service as a participant in Middle East peace-keeping operations.



You can understand, therefore, why I should feel the regret which I know you share that the basic difficulties of the Middle East have not been resolved. They still show little sign of being resolved. I am particularly aware of the tragic fact that conditions have not improved to an extent which would enable a greater proportion of the resources of the area to be applied to peaceful pursuits, more especially economic development. I am thinking, for example, as you are, of the pressing problems of placing people in economically secure activities in newly-reclaimed land.

I do not, of course, expect suspicion and hostility of such long standing as exist in the Middle East to be wiped out at one stroke. The countries of the area owe it to themselves, if not to the rest of the world to which the Middle East has given so much in the past, to reach over a period of time a mutual understanding, tacit if need be, that solutions lie not in the recourse to force or in the use of threats. They lie rather in the deliberate avoidance of words or actions incompatible with UN Charter obligations and with peaceful intentions and stability; in the willingness, when necessary, to have recourse to the international machinery established to maintain peace.

Although the reasons for particular situations are well known, we would all agree, I think, that it is regrettable that many countries at critical stages in their economic development should continue to find it necessary for their national security to devote large amounts to what is, in fact, the maintenance of a military deterrent. We all have reason to be concerned that the continuing extensive purchase of arms and the references which are often made to nuclear-weapons development could create an arms race leading towards a highly dangerous situation involving nuclear arms. Our own efforts in the field of disarmament testify to our worry at the upset in the international balance which would result from the increase in the number of states possessing independent nuclear capabilities.

We have been happy, therefore, to note the commitment expressed by Israel that it would not be the first to introduce nuclear weapons in the Middle East and the support which states of the area have given to proposals for the creation of Middle East and African nuclear-free zones. In the present Middle East climate of continuing mutual suspicion, a regional agreement on the non-acquisition of nuclear weapons accompanied with guarantees for the security of such non-nuclear states strikes me as the one step to which all interested nations should give their encouragement. Whether it is achieved in a regional or wider context is irrelevant, as long as pledges are acknowledged which could initiate an improvement in the whole climate of the area.

We have been considering creative ability, acts of faith and the tiring labour required to transform a desert and advance human welfare. I can assure you that in United Nations initiatives for peace and, I hope, in the foreign policy of our own country, there are parallels in terms of sustained diplomatic effort to the work of economic development with which you are particularly concerned tonight. I am pleased that the Foreign Minister of Israel, whom I had the pleasure of seeing in Ottawa a few months ago, paid tribute, in a recent speech in the Knesset, to the way in which Canada had "helped to fortify stability and tranquillity in the Mid-East". It has been our aim, in spite of the great problems involved and the disappointingly slow way in which any progress towards international stability is achieved, to pursue any possibility of fortifying peace in that area.

Canada's participation in United Nations peace keeping requires an attempt to develop relations with individual nations in the area on a basis of justice and goodwill. We make every effort to do just this. Our links with the Middle East have become many and varied. Our trade with the area is far from negligible, considering that we had almost no contact with the region a relatively short time ago. We want to continue to develop friendly and co-operative relations with all the countries of the Middle East.

I believe that sustained effort in a good cause can bear results even under very difficult circumstances. That is why we persist in our diplomacy and in the peace keeping which is now an important instrument of diplomacy, in the effort to secure international stability. That is why I congratulate you on your sustained effort to make the earth in the Negev bear fruit, so that its inhabitants may live in prosperity, dignity and peace.

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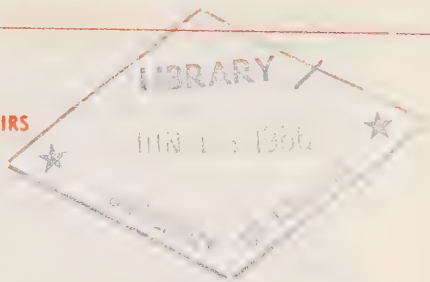


## STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA



No. 66/22

### THE IDENTITY OF CANADA IN NORTH AMERICA

An Address by the Right Honourable L.B. Pearson,  
Prime Minister of Canada, to the American Society  
of Newspaper Editors, Montreal, May 19, 1966.

... This, I understand, is the first time your association has met outside your own country. It is natural, I think, that you should have chosen Canada, and I hope you will be back next year and bring your friends with you to help us celebrate Canada's centennial and to visit Expo '67 in Montreal, the most magnificent, the most spectacular, the greatest world's fair since they opened the Hanging Gardens in Babylon. Coming to Canada has also, though natural, I think, some significance. I am sure you felt that, in coming across the border, you were not really entering a foreign country at all but one almost indistinguishable from your own - a country where you would feel as much at home, and in as friendly company, as Canadians feel when they go to the United States.

That feeling, of course, is something we can be happy about. But, paradoxically, it is also a source of some of the difficulty we experience in our relationship.

It is hard to convince you that we are determined to maintain a separate society and our own Canadian identity when we seem to you - and often to ourselves - to be so much like you - and even to insist, in so many ways, on becoming more like you so far as the material standards of living are concerned.

However, any misconception about Canada that might have been confirmed by meeting in this country should have been removed by your decision to come to Montreal. For no one is likely to mistake Montreal for just another North American city. Among other things, it is the largest French-speaking city in the world - except Paris. I have often said that, if a Canadian wants to prove to an American neighbour that he is not merely a species of American, though no doubt a superior species, but that he has an identity of his own, he need only speak to him in French, Canada's other official language. There is nothing like not being understood to make one feel different....

When I spoke (to the ASNE) in San Francisco, inevitably I discussed the relations between our two countries - but not, I hope, merely in terms of amiable platitudes. Naturally I propose to talk



about that subject tonight, about some of our difficulties. I know you have heard a lot about them this week but, if the Prime Minister of the country didn't refer to Canadian-American relations at a convention like this, we should certainly be criticized for not taking advantage of such a wonderful opportunity to expose to you how superior we are. I know you have been listening this week to many wise and unplatitudinous words on this subject, so I know you will not expect me to close your convention with a few rousing observations about the 150 years of peace, the unguarded boundary and our common devotion to Shakespeare, democracy and Casey Stengel.

Today there are two matters of special and anxious preoccupation to Canadians - and they have been mentioned already to you during the week:

One is the nature and direction of our own political society - in particular, our problems in a federation which must maintain unity in diversity.

And the other subject, of course, is our relationship with the United States and what that relationship means to our position, not only on this continent but in the world.

As to the first, there is more national soul-searching going on today in Canada than ever before in our history. But this is a research activity which we share with the people of every country in the world - or at least those countries where the people have freedom of thought and expression. After all, there is bound to be a universal ferment in this bewildering, swift-moving, nuclear period in human history - especially when young people contemplate what older people have done to the world in the last 50 years.

It is no easy task in our kind of world, on this kind of continent, blanketed as we are by the power, the wealth and the material appeal of 195 million good American neighbours, to maintain, let alone strengthen, a Canadian national identity - especially when we also are subjected to the regional strains that are bound to exist in a federation such as ours, with constitutional divisions that at times coincide with racial or language differences.

But I assure you we are going to achieve our national purpose and build and maintain a strong, distinctive North American confederation which has its own values, its own loyalties, its own destiny - and which, because about one-third of our population is French-speaking, will retain the French language, French traditions and French culture, which will be accepted by the other two-thirds of us as an important asset in our national development.

And then our second great preoccupation - our relations with our neighbours.

We are North Americans and we are not likely to forget that, but that does not mean that we are exclusively continentalists. We are closely tied to the North Atlantic European Community, but that does not make us Europeans. The fact is that we see no good

future in either exclusive North American or European continentalism. We believe that the peace and security of the world, as well as the self-interest of both continents - Europe and North America - and of the individual nations that compose them, are best served by frank recognition of the requirements of an increasing and a widening interdependence.

Naturally, it is the first responsibility of the Government of Canada, as of any government, to ensure that our national purposes are achieved, that our economic and material progress is continued, that its benefits are spread as widely and as equitably as possible among all our people, and that our economy does not fall under external (by which we mean American) control. We shall never discharge our national responsibilities by ignoring our continental and international responsibilities, by pretending that national policies alone can ensure our progress - or even our survival.

We, in Canada, acknowledge, and appreciate the important part American enterprise and American capital have played, and are playing, in the development of our country. It is neither ingratitude nor unneighbourliness that makes us worry about the outcome of your having played that part so well that, today, a greater proportion of Canada's resources and industrial production come under foreign - largely American - control than is the case with any other industrial country in the world. I am sure you have been told that non-resident interests - almost entirely in the United States - control almost 60 per cent of our manufacturing. Naturally, this - and other facts about your share in our progress - worry us because of the effect it could have on our economic and our political development as a separate, independent state - and we want to preserve that.

Our anxiety in these matters is perfectly natural. It is also increasing. It has been the subject of debate in our country for many years.

That debate at the present time is receiving the kind of popular interest usually reserved for commissions of inquiry, television programmes and the killing of seals. Nor is the debate unrelated to our domestic dialogue about our future as a united country.

There are those in Canada who say: "Why worry about problems of Canadian federation and unity if we are going to be swallowed up anyway by 'Uncle Jonah' - in one form or another?"

There are others who add: "Why get excited about the United States absorbing Canada when we ourselves don't know what kind of Canada is going to be absorbed, except that it will be indigestible?"

These are the views of a somewhat cynical minority.

Let's look at the problem more soberly, as most Canadians look at it.



In both our countries we share the same basic economic and political and social philosophies. We are both committed to maintain growing economies and full employment in what we still insist on calling conditions of free enterprise. We both recognize that capital - for growth and employment - will flow to places where conditions - economic and political - are most attractive. Canada is such a place, and we would not have it otherwise. We know that, if this flow has resulted in so much U.S. ownership, as it has, this is not the result of any foreign "conspiracy" - or grasping, old-fashioned, great-power economic imperialism.

What may not be so well understood in the United States is that the normal working of the system, to which we both adhere, in the particular circumstances of Canada and the United States, can give, and has given, rise to very serious problems for the smaller country. We think that Washington does not always appreciate the unique nature of these bilateral problems - perhaps because it has so many bigger ones to worry about in other parts of the world. As a consequence, financial and economic protective action may at times be taken by the United States Government through measures of general application when Canada - because of its special situation - should have been exempted from such action, even in the interest of the United States itself. In any such action, the United States should remember that we are by far your largest market, that in each of the last ten years, for example, your exports of goods and services to Canada have exceeded your purchases from us by more than a billion dollars a year. Each year we run a huge current-account deficit with you, to be covered, in part, by what we borrow from you. I doubt if there is any country, year in and year out, that gives your balance of payments greater support than we do.

These are facts in our economic relations.

While we are worried about this situation, this does not mean that we think "complete" economic independence, based on narrow nationalism, is a feasible or sensible course for us - or, indeed, for any country -, especially in today's world, dominated by swift technological developments and by changing relationships, especially between the super-powers.

All Canada's postwar international policies testify to our belief in the conceptions of interdependence and internationalism - both economic and political. We have consciously preferred, and still do, multilateral to regional arrangements - especially the kind of regional arrangement with the United States in which Canada might be overwhelmed, in the most friendly and neighbourly way, of course. We need the maximum of international contact in the widest possible world.

Even when we talk about economic nationalism as we do, we are often thinking more in terms of the political and cultural preservation of our own identity than of the increase of our wealth and resources. It is national feeling, more than national income,

that impels the great majority of Canadians, for instance, to reject the notion of economic union with the United States. We think, and rightly, that political independence would not last long within any such framework.

John Foster Dulles once said (I hasten to add he was not referring to the United States or Canada, but he once said): "There are two ways of conquering a foreign nation; one is to gain control of its people by force of arms, the other to gain control of its economy by financial means."

However, I repeat, that, if we do have these worries about economic domination by the U.S.A., the remedy for us is not to fall back on inward-looking economic policies, aimed at self-sufficiency under the guise of nationalism. It is not in the creation of a parochial Canada, sheltering behind tariff walls and cultural curtains with an occasional timid peek over at Uncle Sam. We can find no salvation in that course nor any cure for the complaints we may have.

A policy of national exclusiveness, of a "little, self-contained Canada" or even "a big self-contained Canada", would be not only foolish for us - it could be fatal. So, being a sensible, practical people, we are not going to let our very real and immediate anxieties drive us into the wrong kind of economic nationalism. We are not foolish enough, I am convinced, to fly in the face of all the lessons of the last 50 years which show what can happen to a country economically, politically and culturally which turns in on itself with too much pride and prejudice.

Just as political action - even by the strongest super-power - is limited by international circumstances, so national economic action, and particularly for a country in Canada's position, is limited by a variety of things - technological developments, a need for markets, material and resource and capital requirements, which often make not only for concentration of production within countries but between countries.

We shall naturally protect ourselves to the best of our ability against economic policies which seem to threaten us; we shall continue to encourage, by positive action, greater Canadian control and ownership of Canadian production and resources. We shall ensure that our financial system and communications media remain essentially Canadian, as yours are essentially American. We shall insist that companies in Canada, subsidiaries of foreign corporations, should act as good Canadian citizens, in law and in fact. We have welcomed the establishment of such subsidiaries by United States companies. They have helped to build our country - these industrial immigrants, if I may call them that. They have engaged in a wide variety of manufacturing activities, providing employment for many hundreds of thousands of Canadians. We should, and we do, appreciate that. We merely ask that these companies, when they settle in our country, like our other immigrants become Canadian in their operations and in their outlook and otherwise govern themselves as good citizens. I am happy to say that most of them do just that.



In return, we must treat foreign capital and foreign companies with scrupulous fairness.

To steer a course between the extremes of continental isolation and continental integration, between narrow economic nationalism and impractical economic internationalism, will require on our part wisdom and commonsense, firmness when necessary and patience when necessary. It will also require certain policies; I shall mention one or two of these briefly. It will require:

First, positive and vigorous support for all broadly-based multilateral economic initiatives, such as the "Kennedy round" in Geneva. These will help create the conditions for a stronger, more efficient Canadian economy in a world with reduced trade barriers. That, in the course of time, will reduce our dependence on foreign capital.

Secondly, domestic industrial development which seeks to exploit our wealth of resources, our natural advantages and the most modern industrial techniques.

Thirdly, there must be the encouragement of a higher rate of domestic savings and its investment in ownership of businesses in Canada through the use of appropriate taxation and other measures.

There must be the maintenance of a hospitable climate for foreign investment while bearing in mind that too much of such investment, particularly in equities, is not good for us and that Canadians themselves must generate an increasing part of the savings and investment required to maintain Canada's position.

Fourthly, without resorting to anything remotely resembling harassment, we must seek to keep and, where necessary, bring foreign-owned enterprises in Canada within the mainstream of Canadian national life. The United States Government has recently said that it expects U.S. subsidiaries abroad to behave as good corporate citizens of the country where they are located and the Canadian Government has recently issued its own "guide-lines" defining, among other things, what we consider to be the obligations of a corporate citizen in Canada. A process of gradual mutual accommodation has, therefore, begun. We intend to pursue it vigorously.

Finally, to the extent that we continue to need large quantities of U.S. capital - and this will be for a considerable time - borrowing is, for us, preferable to direct investment.

These are sensible policy objectives. They are not based on any narrow or self-centred nationalism. As I have said, there is no future for us - and even no real protection for us against United States economic pressures - in that kind of thing.

We must remain an international nation - both at home and in the world - cosmopolitan, dynamic, outward-looking, up-to-date, looking ahead. That is our best hope for a great Canadian destiny.

One Canadian student of these matters has said (and I quote what he has said): "We should be a country which, in domestic policy, actively encourages internal cultural differences, while in foreign affairs it becomes a leader in advocating and practising the freest possible exchange of capital, goods, people and ideas from every corner of the globe." ("Canada, 'The International Nation'" by Roy A. Matthews, Queen's Quarterly, Autumn 1965.)

That is the way in which we can best move forward. That is the best way to deal with the worry of U.S. pressures and any threat of U.S. economic control that we may have - not by counter-attacks but by diffusing such pressures, and the possibility of such control, in wider international arrangements and groupings, the members of which will co-operate for their own national advantage in an international climate which will make for international expansion rather than national restriction.

That is the way to our future. I admit at once, as a realist, that it is a way cluttered with obstacles, road-blocks and booby-traps. It should be the purpose of our policies - as I see it - to remove the obstacles and not, because of them, get "detoured" into blind alleys and one-way streets, even if those streets may seem to be paved with something that glitters but will not be gold.

... I have now finished my little lecture on Canadian-American relations.

If I have appeared to be giving Americans some advice, it is not because you are likely to make mistakes that we do not make; nor is it because you have faults that we do not have. It is not because of your weaknesses, which are not peculiar to you. It is because of your strength and power, which is indeed peculiar to you.

You are the most powerful people the world has ever known.

Your mistakes, therefore, can involve everybody - especially, and most quickly, your northern neighbour.

So we have the right, which we often exercise, to lecture you, to warn you, and occasionally even praise you.

We do this with all the greater confidence because, when we speak English, it is with an American accent - because we are American enough to be aware that the Dodgers are not characters out of Dickens but strange baseball players that have moved from Brooklyn to Los Angeles.

But even Canadians should really know better than to lecture or advise you. After all, it was a Canadian, Dr. Brock Chisholm, who wrote a few years back: "...Man's method of dealing with difficulties in the past has always been to tell everyone else how they should behave. We've all been doing that for centuries.



"It should be clear by now that this no longer does any good. Everybody has by now been told by everybody else how he should behave. The criticism is not effective; it never has been, and it never is going to be...."

So, with your consent, I'll no longer advise, I'll content myself with affirming my own conviction - and it's a conviction based on some experience now of life and work in both countries - that we shall be able satisfactorily to solve our current U.S.-Canadian problems as we have in the past, and that the good and close relations between our two countries, which have persisted for so long to our mutual advantage, will not weaken.

Geography has made us neighbours. Policy and necessity, desire and decision, have made us good neighbours.

We shall keep it that way.

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s/c



# STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/23

## CANADA AND THE COMMONWEALTH COUNTRIES OF THE CARIBBEAN

Excerpts from an address by the Secretary of State for External Affairs, the Honourable Paul Martin, to the Toronto Branch of the Canadian Institute of International Affairs, May 24, 1966.

I wish to say something about the way in which Canada's special relation with the West Indies has been developing. Recently the Prime Minister announced that a conference, to be attended by the prime ministers and premiers of the Commonwealth Caribbean countries and the Prime Minister of Canada, would be held in Ottawa, July 6-8. This will be the first time such a conference has been held, and it is intended that the full range of matters of common interest will be discussed.

Among the subjects on which discussions are planned are trade, development aid, transportation and communications, migration and cultural relations.

It is the earnest hope of the Canadian Government that out of these discussions will emerge a stronger and more meaningful relation between the Commonwealth countries of the Caribbean and Canada, which will continue to be characterized by mutual understanding and respect, and sound practical co-operation. The fostering and maintenance of such a relation is an important objective of the Canadian Government, and we regard the conference to be held this July as only the first of a series, the beginning of a new process of consultation, of a much closer and more significant nature than could have existed up till now.

The relation that we hope to develop with the Commonwealth Caribbean will not be one that can be measured solely by formal agreements or treaties, although there may be a place for such agreements. We are not, therefore, looking to the July conference as a means of defining, once and for all, Canada's relation with the Commonwealth Caribbean countries. We consider it rather as a first stage in what must be a continuing process of jointly seeking to ensure that our relation is not only close and cordial but is kept fully relevant to the changing circumstances of our times.



The most significant development in the Commonwealth Caribbean in recent years has been the coming of independence to several territories in the region and substantial constitutional changes in the others. It is, above all, these processes of change, by which the West Indian territories have assumed increasing responsibility for their own affairs - processes which are still continuing - which make it appropriate for Canada to discuss with them our mutual relations.

Both Jamaica and Trinidad and Tobago gained their independence in 1962. This week another Caribbean Commonwealth territory will become independent - British Guiana, which is to be called Guyana. Unlike the other Commonwealth territories in the Caribbean (with one exception), Guyana is not an island but is situated on the mainland of South America. It has experienced a good deal of turmoil in the last few years, but the present Government is making efforts to overcome the problems that have given rise to this turmoil. I am sure that all friends of Guyana, of which Canada is certainly one, will wish this new country well as it embarks on independence.

The presence of Guyana, along with Trinidad and Tobago and Jamaica, will mean that there will be four fully-independent Commonwealth countries, including Canada, at the Ottawa conference in July.

One of the other participants, Barbados, is expected to proceed to independence within the next few months. A constitutional conference to discuss the timetable for Barbados's independence is planned for London late in June.

Six other islands (Antigua, Dominica, Grenada, St. Kitts, St. Lucia, and St. Vincent) that have accepted invitations to the Ottawa conference are now in the process of negotiating a new status with Britain, which will give them a very advanced form of self-government and the opportunity, should they desire it, to proceed to full independence. So long as these proposed new arrangements are in force, Britain will continue to have final responsibility for the defence and external affairs of these islands.

The remaining three Commonwealth Caribbean territories that are expected to participate in the conference in Ottawa - British Honduras, the Bahamas and Montserrat - are in varying stages of constitutional evolution.

In approaching the forthcoming conference, Canada will not be seeking to formulate our special relation in exclusive terms. Nor do we wish in any way to detract from the relations the Caribbean territories have with other countries. In particular, there are the continuing responsibilities that Britain has in the territories that are not fully independent, and it is anticipated that Britain will be represented at the conference in some way.

Lest there be any misunderstanding, I think I should stress an important consideration about our desire to strengthen Canada's special relation with the Commonwealth Caribbean countries. Canada is not seeking to have a relation with any part of the region that would be in any way analogous to that which Britain has with those territories for which it continues to exercise constitutional responsibilities derived from the fact that they have been British colonies. We are thinking rather of close practical co-operation for mutual benefit in the various fields already mentioned.

I think that we must also recognize the interest that the independent Commonwealth countries in the Caribbean have in developing and maintaining their relations with both the United States and the Latin American republics. At the same time, we in Canada have a wide range of interests in other parts of the world - for example, through NATO - that are of no great interest to the Commonwealth Caribbean countries. To recognize these factors is simply to recognize that our relation with the Commonwealth Caribbean can be strong and meaningful without necessarily prejudicing any of the interests and relations either we or they have elsewhere.

There is another aspect of the spirit in which Canada seeks to approach the question of strengthening its ties with the Commonwealth Caribbean that I think might usefully be stressed. It is our conviction that the relation we have and hope to foster must be based on full respect for the identity of the West Indian peoples.

The leaders of several Commonwealth Caribbean countries have made it abundantly clear on many occasions that political independence is the goal for which their countries are striving; this is a goal for which Canada can have only the utmost sympathy. Indeed, as I have already noted, three of the Commonwealth Caribbean countries which will be at the Ottawa conference have, or will by then have, attained this goal, and a fourth seems likely to follow within a few months.

While some of the islands in the Eastern Caribbean may not be endowed with the resources really necessary to sustain the burdens of full independence by themselves, at least not at an early stage, they are, as I have noted, moving towards a relation with Britain that provides them with many of the opportunities and challenges of independence. In offering help and co-operation to the Commonwealth Caribbean countries, Canada is concerned not with providing them with what might be described as a crutch. We wish rather to help them develop the means and provide some encouragement to achieve an increasing degree of self-reliance, so that they can make their special and constructive contributions to the international community.

It may well be that some, or all, of the Commonwealth Caribbean countries will decide that they can overcome the disadvantages of small size by building together on the sense of community which clearly unites them. Canada is particularly anxious not to do anything that could possibly interfere with this.



In this connection, I have noted with interest proposals made on various occasions by Dr. Eric Williams, Prime Minister of Trinidad and Tobago, with respect to the desirability of forming a Caribbean Economic Community. I have noted also the recent statements by Prime Minister Burnham of British Guiana in favour of closer economic co-operation among the Caribbean countries.

Of course, we fully accept that the arrangements which the Commonwealth Caribbean countries wish to have among themselves are a matter for them to determine. However, the question is of interest to us since the existence or absence of machinery for co-operation, especially among the territories that have not yet attained independence, obviously will affect the ease and efficiency with which we may conduct our practical relations.

From what I have said, I think it will be clear that the development of our special relation with the Commonwealth Caribbean countries represents a wonderful opportunity for Canada to play a significant role in a region where we have had, and continue to have, many contacts and many friends.

At the Ottawa conference in July, we shall be concerned with translating this special relation into practical measures that will reflect the needs and interests of all the participants. I do not want to single out any particular field to which particular attention might be paid, since I believe that there are numerous aspects of our relations that are important, and that can be strengthened. At the present time, I think what should be stressed is Canada's sincere willingness to explore all paths to co-operation, and our sense of excitement at the prospects for genuine achievements.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS  
(OTTAWA - CANADA)

No. 66/24

### A REAFFIRMATION OF FAITH IN THE VITALITY OF NATO

Statement at Brussels on June 7, 1966, opening the Meeting of NATO Ministers, by the Secretary of State for External Affairs, the Honourable Paul Martin, as President of the North Atlantic Council.

... The conjunction of recent events was not foreseen when it was decided last December to accept the invitation of the Belgian Government to hold this meeting in Brussels. It is especially appropriate that we are meeting at this turning point in our Atlantic affairs in this city. For it was from Brussels in 1948 that the nations of Western Europe sent forth their historic message of hope and of courage - the first call for common action to meet a common threat. The Governments of Belgium, France, Luxembourg, the Netherlands and the United Kingdom "resolved to afford assistance to each other, in accordance with the Charter of the United Nations, in maintaining international peace and security and in resisting any policy of aggression". They further resolved "to associate progressively in the pursuance of these aims with other states inspired by the same ideals and animated by the like determination". The Atlantic Treaty a year later was the direct consequence of this call from Brussels.

It has also been in Brussels that the seeds of the European movement were sown. The institutions of the European Communities centered in this city testify to the success and promise of this movement. We meet, therefore, in an environment which has solid European and Atlantic foundations. Progress at this meeting towards harmonizing our national views and interests - and we must make progress if the alliance is to continue to serve our common good - will enrich the best traditions of this city, of this country and the transatlantic community which NATO represents.

We meet at a critical moment in the history of our alliance. NATO has faced crises before and surmounted them. But our present crisis is of a different order; our problem this time is more internal than external. It arises out of the decision taken by one of the respected members of our alliance to withdraw from the integrated military structure. The other members of the alliance, known colloquially as "The Fourteen", wish to continue to contribute



to and participate in a collective defence programme. Particularly because of the central geographic position occupied by France in Western Europe, the process of adjustment is complex. However, this task is in hand, although it will take some time to execute.

In the process of carrying out the withdrawals required by France, The Fourteen have decided to make certain changes in the NATO military structure which should add to its efficiency. We need have no fears, therefore, as to the continuing defence and deterrent strength of NATO. NATO will continue to be a stout shield.

In the course of our meeting, it will be necessary to give approval to these changes which are consequent on the French action. But our talk at this meeting of the foreign ministers is larger and more important. The task is really twofold, though the two aspects are interdependent. We have first to take counsel with one another about our evolving relations with the U.S.S.R. and Eastern Europe against the background of serious and pressing developments elsewhere in the world. Secondly, we must address ourselves to the state of our alliance, particularly in the light of the actions of the French Government.

Before setting about our task, we must see our problems in perspective. NATO has been so successful that it is now being taken for granted. Europe now enjoys a sense of security greater than at any time since the last war. The remarkable fact is that this sense of security exists even though the military strength of Soviet and Eastern European forces located in Eastern Europe is greater than ever. The answer to this paradox is that NATO has contained the Soviet threat and is still doing so.

As this situation persists, there has been a welcome, even if only gradual, evolution in the Soviet attitude toward the West. There has been increasing recognition by the Soviet leaders that nuclear conflict must be avoided. This is a trend which all members of the alliance welcome and wish to encourage. We are all expanding our relations and increasing our contacts with the countries of Eastern Europe. The process has developed so far that what until a few years ago was unusual is now commonplace.

This is all movement in the right direction. For NATO is not only an instrument created for our mutual defence. The North Atlantic Council is an institution through which we collectively work and plan for a peace settlement in Europe. In a period of evolution, unity of purpose is the more necessary if we are to make progress towards that settlement, which is the major objective we all seek.

The North Atlantic Treaty is the manifestation of a transatlantic partnership linking the peoples of Europe and North America in their common search for peace. Now that the danger of attack has been contained and Soviet policy has begun gradually to evolve, we must concentrate increasingly on the search for the solution of

problems in Europe. France's welcome decision to remain a party to the Treaty is evidence that they continue to share with the other members the same basic objectives and continue to regard the North Atlantic Council and its subordinate institutions as the appropriate forum for ensuring that Western policy on East-West relations remains in harmony.

Let it be clear, therefore, that we are not gathered here merely to patch up our differences. Indeed, it may be no bad thing that we should have been shaken out of whatever complacency we may have felt as a result of the very success of NATO. Our responses have reconfirmed the vitality of the alliance and the importance we attach to the concept of a collective approach. We are faced as never before with an opportunity as well as a challenge. Our task is to develop and define a new relationship within the alliance which will reflect both the vitality of the concept and the special concerns of France. In short, we want an alliance in more than name only.

The great strength of our way of life -- and the advantage we hold over our adversaries -- is our capacity to maintain unity in diversity. Seen in this perspective, the present crisis in our alliance is more than a problem to be overcome. It is a test of the very foundations of the political system we all share. Let us set to work with imagination, moderation and goodwill. Let us determine to succeed.

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## STATEMENTS AND SPEECHES

CANADA

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS

(OTTAWA - CANADA)

No. 66/25

### NATO FACES THE CHALLENGE OF CHANGING TIMES

Text of a Press Conference Given by the  
Secretary of State for External Affairs, the  
Honourable Paul Martin, Ottawa, June 1, 1966.

Mr. Martin opened the interview with the following statement:

Gentlemen, as I have to leave this afternoon for an engagement and shall not be back before I leave for Brussels for the meeting of the 14 nations of NATO on Monday and of the 15 at the regular meeting of foreign ministers on Tuesday and Wednesday and possibly Thursday of next week, I thought that you might find it useful if I presented myself so that you might ask some questions in connection with this meeting. I have asked that a statement be circulated setting out in general terms the position of the Canadian Government in connection with this important meeting, which has been referred to as one of "critical importance". I purposely avoid that phrase, but nevertheless, in my judgment, the importance of this meeting extends beyond the alliance and the NATO organization.

This meeting will really be concerned with the future of Europe and of North America's relations with Europe.

NATO, in the opinion of the Government, has served the Atlantic countries well by providing the framework for the collective defence programme necessary for the security of the West and for the stability of Europe.

There are, of course, some unresolved political problems, of which the continued division of Germany is the most important and the most intractable. On March 18, I said in the House that, in spite of France's decision to withdraw from the integrated defence structure, we regard NATO's collective defence programme as one that must be maintained, particularly at a time when Europe continues to be divided.

But I hasten to point out that, while France has removed itself from the integrated force structure, it remains a party to the Treaty. As President de Gaulle has said, France continues to be among its allies, it continues to accept the automatic obligations, both military and otherwise, provided for in the Treaty.



So that our first and essential task at Brussels must be to find the means of adapting the collective efforts of all 15 NATO members, European and North American alike, to the new situation created by the decision of France. But this will not be enough. Already, over the last few years, the stability of Europe provided for by NATO -- stability and relative peace in the world -- has permitted a gradual but significant improvement in relations between the NATO and the Warsaw Pact powers. This desirable trend -- which, I must emphasize, is supported by all 15 NATO members -- must be maintained and, indeed, intensified. Only through the extension of the present détente, the present improvement in relations between the NATO powers, between East and West, can we bring about a situation in which real and substantial progress toward a settlement in Europe will become possible.

And so our second essential task at Brussels, as I see it -- and I think I can speak for all 15 members -- is to find the means whereby the Atlantic countries can best provide the extension of the détente which must precede the solution of the political problems of the divided Europe.

Now this is not an easy task. The problem, in spite of the improvement in relations, continues to be a difficult one. I cannot precisely say how this improvement is to be furthered, but I will offer one last thought before hearing your questions. In tackling a task so important, there is opportunity -- indeed, there is need -- to take advantage both of bilateral and multilateral exchanges with Eastern European Communist countries. But whatever initiatives may be undertaken, they are most likely to be fruitful if they are co-ordinated through continuing consultation in the alliance and inspired by the common objective of a solid and lasting settlement in Europe.

We have improved very considerably, in trade and other relations, our contacts with the Soviet Union and with Eastern European countries. This we have done on an individual basis, as some of the NATO countries have done, including -- particularly during the last year -- the United States; but it is important that we endeavour to make this improvement in East-West relations through consultations with our NATO partners, and not seek only to do it alone.

I have not dealt with any of the specific problems that will be dealt with when we meet as a group of 14 and when we meet with regard to the French decision on Tuesday next, but I shall be glad to entertain some questions for a few minutes.

Mr. Marcel Gingras: Sir, do you already have the agenda of the meeting?

Mr. Martin: Yes, we have the agenda.

Mr. Gingras: May we know what are the main topics, please?

Mr. Martin: The agenda has not been given out as yet, but there is no real secret to this. First of all, the first item will be the state of the alliance, and, under this item, we shall be

discussing the consequences of the French decision. Then we shall have a general review of the international situation, which is the main item on the agenda of every foreign ministers' meeting. There will be also a discussion of the situation arising out of the Cyprus problem and its involvement for two of our NATO members.

Those are the general headings that will form the basis of the meeting on Tuesday and Wednesday.

Mr. Gingras: Is there any specific question, like the NATO building in Paris, for example?

Mr. Martin: On Monday, the 14 will meet. The Government of France has concurred in this separate meeting of the 14. I must underline the importance, as I have said, that the Government of France, through its Foreign Minister, has agreed that prior to the meeting of the 15 there should be a meeting of the 14 countries. For the past two months now, the representatives of the 14 in the NATO Council, pursuant to instructions from governments, have been considering the practical consequences of the French decision, and we have set up through them a number of working groups who will be reporting to the 14, and through the 14 to the 15 on Tuesday, on matters that flow from the French decision. Now there will be some matters that will have to be resolved at the meeting on Monday and discussed with the Government of France on Tuesday. The French Government has said that the NATO military headquarters will have to move and, since that decision is final, we shall have to consider among ourselves where the military headquarters known as SHAPE will be located. This decision will take place, in all probability, next week. There will likewise have to be a decision as to where the Defence College is to be located, and we shall give consideration to whether or not the military committee will move from Washington to another locale. We shall also have to give consideration to what happens to the standing military group.

As to the location of the Council itself, which is the political deliberative organ, that, in the judgment of Canada at the present time, is not a matter that has to be decided forthwith. I am not saying that there will not be a decision about this question, but, as I see this matter at the moment, it would seem to me that this is one of the questions about which we need not make undue haste. We must make sure that the decision with regard to the location of the Council is made only after a full assessment of all that is involved. The reason why we take this position is that, while we regret the decision of the Government of France to ask two of its allies to vacate bases in France, and while we regret their decision to withdraw from the integrated force structure, we are encouraged by the decision of the Government of France to continue in the alliance, and I have noted very particularly the words of the French Foreign Minister, when he spoke to the Chamber of Deputies five weeks ago and outlined the importance, and the reason for the importance, that France attributed to its participation in the alliance as distinguished from the military organization, and I should hope, by the attitude that I am at present taking with regard



to the location of the Council, that we shall be serving notice to France of our high regard for her and of the part which we believe she can continue to play in the Western community and in the alliance.

What happens to French forces in Germany, the two divisions there, I do not know. It could be that the agreement, or the failure to agree, on a desired formula for the continuation of the forces of France in Germany could have a very important bearing on the question as to where the Council is to be located. But we shall have to wait until some of these matters are decided before the decision on that is made.

I should like to say this: there was a story yesterday... about a report that France was withdrawing not only its military but its political support from the NATO organization. I can say that the story seems to be wholly unfounded, and likewise there is no basis for suggesting that the Government of France proposes to ask that the Council be not maintained in Paris. The latest information I have is that the story to that effect yesterday, and about which there was also a question, has no basis in fact.

This is a very important meeting for the future integrity of the Organization, and it has a very definite bearing on the improvement of international relations in the next period.

Mr. Ben Malkin: Sir, has General de Gaulle consulted with the NATO alliance about what he is going to talk about in Moscow immediately after the Brussels meeting?

Mr. Martin: The opportunity will be afforded to the French Foreign Minister of indicating the talks that he has had in Roumania and, more recently, in Poland. I am sure that, following NATO practice, he will make a report of conversations that do have a very great interest to all NATO members. And I should hope that he would find it desirable to give us some indication of the objectives of the important visit which General de Gaulle will be making to Moscow.

Mr. Peter Stursberg: Is Brussels likely to be the new location for SHAPE?

Mr. Martin: I should think that is a fairly good guess, but there is no decision. There have been consultations among the member states. Directly, I have had some discussions here in Ottawa and our Ambassador in NATO has, but we have a number of matters to decide before that question can be finalized. But I believe there will be a decision as to the location of SHAPE itself.

Mr. Paul Akehurst: Where does Canada think that SHAPE should be located, sir?

Mr. Martin: Well, if the Belgian Government is prepared to have SHAPE located there, this would be agreeable to Canada.

Mr. David McIntosh: Sir, do you think there can be any improvement in relations between the NATO countries and the Warsaw Pact countries so long as the Vietnam war continues?

Mr. Martin: There is no doubt that the war in Vietnam is a beclouding fact but, notwithstanding that, I believe a great improvement in our relations can be reached. We have been ourselves in very close touch with the Government of Poland over the role of the Commission in Vietnam. These have been useful and helpful discussions. The Minister of Trade and Commerce will shortly be going to Poland on a trade mission. We ourselves are engaged in preliminary trade talks with other Eastern European countries. Mr. Winters will shortly be going to the Soviet Union to discuss trade matters. We hope to have a delegation of parliamentarians from Czechoslovakia here this summer; we are anticipating the visit of a group of parliamentarians -- I hope under the leadership of Mr. Polyansky, one of the important members in the establishment of Government in the Soviet Union -- in the month of July. It is possible that I may myself be going to the Soviet Union between now and the next three or four months. We are now trying to work out a satisfactory and mutually convenient date. We have all noted the developments in Roumania. I think it is true to say that, notwithstanding the situation in Asia, there has been a considerable improvement in relations between the countries which are in NATO and the Warsaw Pact powers in their individual contexts.

Mr. Anthony Wright: You have said in the House, I think, Mr. Martin, that you are seeing Mr. Couve de Murville on Monday. Who else are you seeing?

Mr. Martin: Yes, our meeting of the 14 will take place on Monday and he and I have agreed to meet Monday night. On Sunday I shall be seeing Mr. Rusk and the Italian Foreign Minister, Mr. Fanfani. On Saturday I will be lunching in Amsterdam with Mr. Luns, the Dutch Foreign Minister. Mr. Luns, as the senior foreign minister -- that is, the foreign minister who has been in office in that portfolio longest -- will preside on Monday over the meeting of the 14. That is not a NATO meeting. That is a meeting of practically all of the NATO countries. I shall preside as President at the meeting on Tuesday and Wednesday, which is a formal NATO meeting, at which France will be present.

Mr. McIntosh: Sir, you said in the beginning that improvement in East-West relations should be done in consultation rather than alone.

Mr. Martin: Essentially in consultation.

Mr. McIntosh: Does this imply a criticism of General de Gaulle?

Mr. Martin: It is a fact that we believe that the strength of any alliance depends on the effectiveness of the consultative arrangement, and, while any head of government has the right, and, indeed, all of them at some time or other have exercised the right, of going to other capitals, including the Soviet Union, we shall hope that whatever positions are taken would be positions that were not inconsistent with the general interests of NATO itself.



And I shall hope that one of the conclusions of our discussions on Tuesday and Wednesday, prior to the visit of General de Gaulle, would be that we could agree on a formulation that represents the collective position of all of the NATO countries in our efforts to improve East-West relations.

Mr. Anthony Westell: In your statement, Mr. Martin, I note that you have emphasized that France is continuing to subscribe to the Treaty.

Mr. Martin: To the alliance.

Mr. Westell: To the alliance. And you have said that there is no foundation to the story that she is going to withdraw her political support. Where does the problem arise there?

Mr. Martin: Well, the difficulty arises out of the fact that General de Gaulle is going to Moscow at a time when France has taken a very vital decision with regard to the NATO force structure, and it is naturally asked what is the purpose of this visit. Are there going to be arrangements made at that meeting that will be inconsistent with the general purpose pursued by NATO collectively and by its individual members acting in their own national right. That is what we mean. I do not say that there will be. I take General de Gaulle's decision not to denounce the Treaty -- to be obligated by its automatic military provision -- as an indication that France does not share in the concept of military organization, but that it does share in the basic political purposes of the NATO alliance.

Mr. J.M. Poliquin: Sir, what about the bases?

Mr. Martin: We shall have to vacate our two bases, as the United States will have to vacate its five. We have until April 1, 1967, to decide where we shall relocate. But this is a decision which we shall have to make fairly soon. It will not be made at this meeting, but it will have to be made fairly soon, because the Department of National Defence will have to make arrangements so that we can be relocated by the target date.

The United States feels that it has the right to go on for another two years. There is a difference in the terminal date provision in the contract that the United States has with France, as compared with the contractual arrangements that Canada has with France. We have only one year. They argue that they have two. There are many problems, of course, arising out of the relocation-- for example, whether or not there will be any compensation. We shall be very much interested in such questions as to whether or not France will continue to contribute to the costs of infrastructure, which could represent a very great sum of money. If France decided not to continue to support infrastructure, this would mean that the 14 countries would have to bear a pretty important financial burden.

These or other questions will not be decided now but will be decided on the basis of some of the decisions that will be taking place on Tuesday and Wednesday and particularly on what happens to the French forces -- air and ground forces -- in Germany.

Mr. John Walker: Sir, you mentioned that some sort of decision was possible on the removal of the NATO Council next week. If the American view were to prevail, do you think that this might influence General de Gaulle in his talks with Russia?

Mr. Martin: I do not think that that would be a factor. The American position on this has been reported to the press. I think it is too early yet to say what the final positions on this question really are, but I have indicated how we feel. I think that, if it has been possible for the Military Committee to be in Washington all these years and for the Council to be in Paris, there should be no great military inconvenience in having SHAPE separated from the Council. However, I could be wrong in this but this is my present view, and it would seem to me that France might feel that it would have a closer contact with the alliance, if the political organ of NATO were to stay in Paris. This is a matter that some countries feel as strongly about as I do, but it is not an irrevocable position. It is a question we shall have to decide one way or the other, I am sure, at this next meeting -- either to stay in France or to go wherever SHAPE goes. It could be that the new host country might insist that it is not prepared to accept one without the other. This would be a very important consideration, if that position were taken by any of the potential host countries.

Mr. Hillary Brigstocke: Could you see London as a possible location for SHAPE?

Mr. Martin: London is, of course, a very agreeable place for most things as far as Canada is concerned. I should think that, in the context of NATO, London was not a satisfactory place.

Mr. Walker: Have you anything special to put forward in these discussions between Greece and Turkey on Cyprus?

Mr. Martin: Yes. We shall have some discussions with Greece and Turkey, particularly with regard to the matter of mutual aid, and also with regard to some developments in Cyprus. The Cyprus force will terminate, or rather its mandate will conclude on June 26 next, unless renewed. There is to be a meeting of the Security Council on June 16, and we shall naturally be giving consideration to this matter, and it is in this context that I shall be having some discussions with representatives of the Greek and Turkish Governments, and it is rather helpful that it has been announced that the Foreign Ministers of Greece and Turkey are going to carry on discussions with regard to Cyprus in Brussels on June 9 next, following the discussions that the Government of Cyprus has had with the Government of Greece on the same matter only within the past few days.



Mr. McIntosh: Mr. Martin, would you care to comment on the possible use of your role as President of the Council at this session as a sort of mediator or go-between, as, for instance, between the French and the American positions?

Mr. Martin: Well, I shall endeavour, as any country would try, to minimize the differences. And, if it is thought that that there is any role for us to play, we shall gladly assume this, as other countries would. But I am not going there with the idea that there is a particular role for me to play in this area. If it should arise, I should certainly do my best, because I believe that it is desirable for the Atlantic Community, for the Western world, to have as close an association with France as possible, and we take comfort in the view that the Government of France, within the context of an organization of sovereign powers, takes a similar view.

I only hope that the differences on the question of military organization will not defeat that purpose.

I also hope, in reaffirming our belief in NATO and its indispensability at this time for our security, that this will not stand in the way of our taking measures, and being determined to take measures, to try to improve relations between the East and West, and it is because we believe that, in the face of the present military might of the Soviet Union in particular, the best way to do this is by being equally strong. Canada and the 14 believe that there can be no let-up in the combined military organization that has been established during the past 14 years in NATO itself. But no one should conclude, because we believe NATO to be necessary, no one should conclude because we propose to strengthen it, that we are on that account less interested in trying to improve relations between the European powers on both sides, in the Warsaw Pact and in the NATO group. This remains an objective that we believe is essential, and we shall pursue it with as much vigour as we can.

I hope that out of this meeting will come an agreement on the part of all 15 as to the best courses to promote a further détente.

Mr. Vladimir Mikhailov: Mr. Martin, would you care to comment on this statement by Walter Lippmann in today's paper entitled "United States and Europe"?

Mr. Martin: I did not read Mr. Lippmann this morning; I read Arthur Blakeley instead.

Mr. Mikhailov: At any rate, in his story Mr. Lippmann says that the real undertone of the French decision was that the Europe of today would end the "cold war", while the United States, for a number of reasons, is not ready to do so. The second part of my question is that there were some statements made recently that the time had come for NATO and for the Warsaw Pact powers to reach a pact or agreement, whatever it is. What do you say to that?

Mr. Martin: I have not read Mr. Lippmann's article and I prefer, on that account, not to comment on it. But I have sought to indicate twice in what I have said today that we are anxious to promote as much improvement in the relations between the Warsaw Pact powers and the NATO powers as is possible. And we believe that the most effective way to do that will be through consultations with members of the alliance, and we shall be giving consideration to a specific proposal that will involve the whole question of European unity. This is an objective and we shall be enabled, I believe, to make some progress in this area as a result of our determination at the present time to continue as members of a strengthened, a re-strengthened, NATO.

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## STATEMENTS AND SPEECHES

*Canada*  
~~INFORMATION DIVISION~~  
~~DEPARTMENT OF EXTERNAL AFFAIRS~~  
~~OTTAWA - CANADA~~

No. 66/26

### MAINTAINING THE UNITY OF THE ATLANTIC ALLIANCE

Report to the House of Commons on June 10, 1966, by the Secretary of State for External Affairs, the Honourable Paul Martin.

...In accordance with our practice, I wish to report to the House on the NATO ministerial meeting which took place this week in Brussels. Also in accordance with practice in other years and with the consent of the House I should like to table two copies in French and two copies in English of the final communiqué of this meeting...

The discussions at this meeting covered a wide range of problems, but our attention was necessarily concentrated on issues directly related to the French decision, while remaining within the alliance, to withdraw from the integrated military structure.

The nature of the main problems that we had to discuss, which were internal to the alliance, made necessary an unprecedented organization of work. The meetings on Monday, June 6, were among the foreign ministers of the 14 countries, to which the Government of France had sent communications. It also proved necessary in the case of the regular ministerial meetings for the 14 ministers to hold meetings several times separately in order to work out among themselves a common position on issues under negotiation with the French. This, too, was an unprecedented procedural development and one which could have created difficulty. That it worked smoothly I regard as evidence of the goodwill of all members of the alliance. I am also encouraged to think that it reflected their genuine desire to develop forms of relationships which would make possible continuing co-operation in the future.

Never in my experience has there been a NATO meeting where the exchanges were franker, and perhaps where the problems were more difficult. This was hardly surprising. Ministers found, when they reached Brussels, that both among the 14 and as between the 14 and France they were divided on two important questions: the 14 had differing and strongly held views as to whether a new site should be chosen for the North Atlantic Council, and previous efforts to find a formula to cover negotiations between France and the 14 over the future role of French forces in Germany had proved abortive.



These two issues of the meetings -- the site of the NATO Council and the negotiating procedures for French forces in Germany -- involved for us a common concern. At stake in each case was the continued unity of the alliance. We avoided open breaches. Orderly procedures for examining our differences were agreed upon. Time was gained. I do not deny that we have difficult problems ahead of us. The 14 proved to themselves that they could hold to a common position, and France found that its allies were ready to compromise in order to preserve the unity of the alliance.

...Reporting on these very vital meetings, I do not want to give an exaggerated impression of the achievements of the meeting. In concrete terms, we succeeded in working out a procedure for conducting negotiations on the several problems involving all members of the alliance which are posed by the French decision to withdraw from the integrated military structure. Moreover, the intensive and delicate discussions which led up to this agreement, and which lasted for two days, were marked by efforts on both sides to resist any formula which they considered might prejudice their position in the negotiations which would ensue. This confirmed what we already knew -- that it will prove extremely difficult to find a way to reconcile at the same time the requirement of the 14 that French forces remaining in Germany should undertake a militarily significant role with French insistence on the principle that their forces should not be integrated.

The question at issue here is the extent of the military co-operation which the French Government will be prepared to provide as a substitute for participation in the integrated military structure; for it is necessary to have a concerted planning in peace-time if there is to be effective response in emergencies and concerted action in war. The outcome of these complex and crucial negotiations cannot be forecast, but they are at least fairly launched.

The other issue faced at Brussels concerned the future site of the North Atlantic Council. This was the main issue which divided the 14. There were some who felt keenly that a decision had to be taken immediately to move the Council from Paris. With SHAPE, the military headquarters, obliged to leave French territory, they argued the case for the collocation of the military and civil headquarters.

A decision to move the Council from Paris would be an important political action. I argued: would it have been right to have taken such a step before testing French intentions; before discovering whether co-operative military arrangements could be worked out between the French and the 14 who have decided to maintain the integrated military structure; even before President de Gaulle had visited Moscow, even before the French foreign minister had reached Brussels and had a chance to show, in consultation with his colleagues, whether satisfactory arrangements could be worked out with France? How could we hope to work out such arrangements with France, the Canadian delegation argued, if our first action as the 14 was to anticipate that our negotiations with the French would fail?

These are the questions I put to my colleagues. No matter how valid some of the arguments for moving the Council might be, we maintained it was too early to take a decision. Eventually, after the fullest discussion, the 14 ministers agreed to defer consideration of the question until October.

The French Foreign Minister later spoke in the ministerial meeting of the position taken by the 14. He said the French Government would be pleased if the 14 decided that the Council should remain in Paris but, if it were decided to move the Council, France would understand the reasons. This statement, which is noted in the communiqué, helped to clear the atmosphere. When we do approach this problem again in the autumn, President de Gaulle will have visited the Soviet Union and we shall have a clearer idea of the limits of military co-operation between France and the 14. Then, in reaching our decision, facts rather than expectations can guide us.

If two of the principal achievements of the meetings emerged out of conflict, the third important element -- the emphasis on improving East-West relations -- developed without opposition. Here, I am pleased to report, agreement was complete. All ministers recognized the need to increase bilateral contacts with the countries of Eastern Europe. They saw this as having value in itself and as a necessity for the creation of an atmosphere propitious for the negotiations which must eventually take place on the German settlement. The ministers decided that a report on the possibilities for developing East-West relations should be prepared for their future use.

This unanimity of approach was most encouraging. It demonstrated the extent to which the members of the alliance share a common political outlook, agreeing on the aims of policy and on the prospects for making progress. All members reiterated that a European settlement was our basic objective. But the road to that settlement will be long. It is the intractability of the problems, rather than any lack of will to pursue solutions, which makes progress inevitably slow.

The proof of the measure of agreement and the motives underlying it are expressed in the final communiqué. By the standards of earlier communiqués I regard this communiqué as forward-looking....

The Brussels meeting can, I think, be described as fruitful in the sense that, a week before the meeting began, it seemed that we were headed for a confrontation between France and the 14 which threatened to lead to a complete breach. But a confrontation was avoided and a sense of shared interest prevailed. All countries agreed -- and this is important -- that the maintenance of the Atlantic alliance is as necessary today as ever. They further confirmed that, to this end, its members are pledged, separately and jointly, by means of continuous and effective self-help and mutual aid, to maintain and develop their individual and collective capacity to resist armed attack.

Our problems are not resolved... -- indeed, the crucial issues have yet to be faced -- but necessary preliminary decisions have been taken. For this we have the alliance and the NATO Council machinery to thank. Once again, this time in new and in many ways more difficult circumstances, the value and the resilience of the alliance were demonstrated. We did our best to avoid unnecessary decisions which could have destroyed the alliance at this stage. We discussed many other problems, including Cyprus, but I have outlined today the essential ones because they involve the unity of the alliance. What the future holds for the 15 has yet to be determined but at any rate, as I have said, we have bought time.



## FINAL COMMUNIQUE

The Council met in ministerial session in Brussels, June 7 and 8, 1966.

2. The Council reviewed the state of the alliance. After a frank exchange of views, ministers agreed that the maintenance of the Atlantic alliance is as necessary today as ever, in order to safeguard the freedom and the common heritage of their peoples founded on the principles of democracy, individual liberty and the rule of law. The first aim of the Atlantic alliance is the common defence of all member countries; to this end its members are pledged, separately and jointly, by means of continuous and effective self-help and mutual aid, to maintain and develop their individual and collective capacity to resist armed attack.

3. Ministers agreed to examine, in the light of the principles and obligations of the Treaty, and in a co-operative manner, the problems raised by the French memoranda of last March, in order to reach as soon as possible solutions acceptable to all concerned and which assure continued security. At this meeting the Council:

(a) noted the statement made by Mr. Luns on the discussions which had taken place on June 6 among 14 ministers;

(b) agreed to transfer the military headquarters of NATO from France;

(c) extended a unanimous invitation to the Benelux countries to provide a new site for SHAPE;

(d) agreed that some simplification of the command structure should be carried out. This will be achieved in the first instance in the Centre by combining under a single commander and in one headquarters the staffs now divided between the headquarters of the Commander-in-Chief, Central Europe, and the Commanders-in-Chief of the Land and Air Forces in Central Europe. This headquarters will be moved to a new location either in Benelux or Germany;

(e) agreed that further studies will be necessary in order to establish the precise requirements and the possibilities of hospitality in the different countries, noted that the Benelux countries, the Federal Republic, the Secretary-General and the NATO military authorities had been requested to undertake these studies forthwith; and further noted that, as soon as the required information was available, final decisions would have to be taken as a matter of urgency.

(f) extended a unanimous invitation to Italy to provide a new site for the NATO Defence College;

(g) agreed that the Standing Group will be abolished and replaced by appropriate alternative arrangements, including an integrated international Military Staff;

(h) noted the statement by Mr. Luns in connection with the site of the Council and also the statement of the French Foreign Minister on this subject.

4. With regard to the procedures for negotiation, ministers agreed that:

(a) the questions which need to be settled jointly between the allies as a consequence of French communications will in the first instance be discussed in the Council in permanent session;

(b) prominent among these questions are the tasks and missions of French forces in Germany, including their co-operation with NATO forces and command arrangements;

(c) other questions such as French participation in NADGE and NATO infrastructure projects will be discussed in the same way;

(d) the Council in permanent session may, of course, make any arrangements it wishes for discussion of these questions. It may, for example, decide to set up smaller groups to deal with some or all of the questions. When the political problems have been discussed and sufficient agreement reached on them, the elaboration of the necessary military arrangements will be referred to discussions between the French High Command and SACEUR;

(e) if the Council in permanent session can make no progress, discussion will be resumed at ministerial level.

5. In reviewing the international situation, ministers discussed the relations of their countries with the Soviet Union and the East European countries.

6. In view of the basic aims of the Soviet Union, the level of its armed forces, and its continuing allocation of a high proportion of economic and technological resources for military purposes, the ministers concluded that it is imperative for the West to maintain adequate forces for deterrence and defence.

7. Ministers had an extended discussion about the main problems affecting European security. They reaffirmed the terms of their declaration of December 16, 1958, with regard to Berlin. They regretted the absence of progress on the important question of German reunification and the continued attempts to discredit the Federal Republic of Germany. Taking note of the positive initiative taken by the German Government in their note of March 25, 1966, ministers reaffirmed that the solution of the German problem is one of the central issues in East-West relations, and they agreed on the necessity of a continued and unremitting search for a peaceful solution that would give satisfaction to the German people's fundamental right to reunification.

8. The defensive nature of the North Atlantic Treaty is indisputable. It is clearly stated in the undertaking by the signatories to uphold the principles of the United Nations Charter by refraining from the use of force to settle international disputes. Furthermore, the defensive character of the alliance has been repeatedly proved by the restraint and moderation shown by its members in the last 17 years, even when confronted by provocation and hostile actions affecting



the Treaty area. Owing to the conditions of security created and maintained by an effective common defence of the North Atlantic area, political consultation among partners allows initiatives to be taken which can contribute not only to the stability of East-West relations but also to the general well-being of mankind.

9. If progress is to be made with regard to the complex problems of a European settlement, a determination to resolve the issues must exist on all sides. The peaceful ending of the division of Europe remains a principal purpose of the alliance, the objective being a Europe that will once again be one, and a Germany that will once again be united.

10. Meanwhile, member countries are seeking further to improve relations between the peoples of Eastern Europe and Western Europe, and to diminish mutual suspicions and fears. They are convinced that further tangible results could now be obtained in the cultural, economic, scientific and technical fields.

11. Ministers directed the permanent representatives to continue to examine closely the prospects of healthy developments in East-West relations, and to prepare a full report on these questions for meetings to be attended, as far as is practicable, by the foreign ministers of the various countries. This report, which should deal with all possible initiatives in this field, would cover, inter alia, problems connected with European security and German reunification.

12. Ministers expressed their continuous interest in progress towards general, complete and controlled disarmament. They expressed great concern over the problem of nuclear proliferation in its world-wide implications and their determination to continue their efforts to solve this problem. In particular, the governments concerned in the 18-Power Geneva Conference reaffirmed their intention to do their utmost to achieve positive results.

13. With regard to Greek-Turkish relations, ministers took note of the Secretary-General's report on the "watching brief" and confirmed their support for the continuation of his activities in this respect. They welcomed the announcement made by the Foreign Ministers of Greece and Turkey to the effect that "the Governments of Greece and Turkey, inspired by a sincere desire to facilitate a peaceful and agreed solution of the Cyprus problem and to improve their relations, have decided to proceed to contacts and exchanges of views on the Cyprus question and on Greek-Turkish relations. The procedure to be followed during these contacts will be decided in common". The ministers reiterated their appreciation of the continued presence of the United Nations Force in Cyprus and expressed their support of the efforts of the United Nations for safeguarding peace and improving the situation in the island.

14. Ministers reaffirmed their desire to promote economic co-operation in the spirit of Article 2 of the North Atlantic Treaty. They acknowledged the need to join efforts in order to promote research in the scientific, technical and production fields, and achieve a wider co-operation and exchange of information so that in a world of rapid scientific progress the gap in technological achievement between Europe and North America can be narrowed.

15. All economically-advanced countries, those of East and West alike, have a common responsibility to co-operate in attacking the fundamental problems confronting the developing countries. Progress towards political settlements and disarmament will contribute to this end by releasing resources and energies which are so badly needed for the advancement of human welfare.

16. The Council, agreeing that efforts should be continued to supply Greece and Turkey with defence assistance within the framework of the alliance, in order to help them maintain an effective contribution to the common defence, adopted a resolution recommending wider participation in this aid programme.

17. Ministers received a progress report on the activities of the special committee of defence ministers which was created by the Council in 1965. A further report will be submitted to the Council during the ministerial session in December.

18. In view of the importance of science and technology to the military strength of the alliance and the economic vitality of its members, ministers noted with satisfaction the recently agreed improvements in procedures for co-operation among members of the alliance in research, development and production of military equipment. They encouraged member countries to bring suitable projects forward for co-operative action.

19. They noted that a meeting of defence ministers will be convened in July to review and carry forward the institution of force-planning procedures for projecting and adjusting annually a five-year programme.

20. A meeting of the Council at ministerial level will be held in December 1966.

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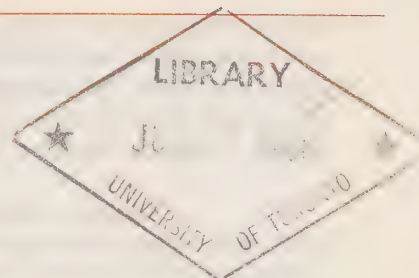


## STATEMENTS AND SPEECHES

INFORMATION DIVISION

Canada, DEPARTMENT OF EXTERNAL AFFAIRS,

OTTAWA - CANADA



No. 66/27

### THE WESTERN WORLD IN SEARCH OF A VISION

An Address by the Right Honourable L. B. Pearson,  
Prime Minister of Canada, at the Atlantic Union  
Award Dinner, Springfield, Illinois, June 11, 1966.

In conferring on me an Atlantic Union Pioneer award this afternoon, you have done me high honour for which I am very grateful. You have confirmed my admission into ranks of the Atlantic Pioneer Corps, and have chosen for the confirmation this historic setting of New Salem and Springfield, steeped in memories of one of the towering figures of history.

At the same time you have added to my feeling of grateful appreciation by coupling my name with those of Christian Herter and Adlai Stevenson as recipients of the Atlantic award. I know, as you do, how much we owe to these two men. Not only the United States and Canada, not only the Atlantic Community, but the whole world is in their debt.

Mr. Herter is an old and valued friend, about whom I will say only that high ideals and constructive achievement have characterized everything he has done, in the service of his country and of free men. I wish he could have been with us this evening.

Adlai Stevenson was also my friend. When he died I tried, as many others did, to pay him tribute. We all tried and I think we all failed, because it is still too soon to take the true measure of this man and his contribution to our times. He wore out more than his shoe-leather in the persistent and patient search for peace and better relations between nations. In spite of all the difficulties (sometimes it seemed the impossibilities), in spite even of his own occasional doubts, he served with grace and distinction, with devotion and wisdom, the vision of what the world could be and what it must become. His was a more significant service than anything a man could do for himself or for his own political aspirations. Though he was denied the Presidency of his country in favour of others who shared his ideals, he gave an inspiring lead, especially at the United Nations, to his own people and to all people in the search for those ultimate and essential goals which we must reach or perish.

As I look back on the years through which we have passed since the second great war of this century, I am struck by the fact that our destinies have depended so very much on the vision and leadership of a few men; on their



understanding of what, at a particular moment, was the right way out of danger, and the right way to move ahead. These rare individuals had always before them an ideal of human brotherhood, of a world at peace and with freedom. They also had a firm and confident sense of direction in trying to achieve their ideal. Chris Herter and Adlai Stevenson are such men.

Clarence Streit is another who for many long years now has accepted the challenge of a great idea - the idea of a federal union of the peoples lying on both sides of the North Atlantic as a step to an even wider union of all men. That idea has not yet been realized. Indeed, in some of the Atlantic countries, it seems at the moment to be of little interest. But it is acting upon the societies of our two countries and I believe is doing the same, although perhaps less noticeably, in Europe. It has life and dynamism. Its impact on politics in North America has increased and this is bound to convey a reflection on the other side of the Atlantic.

NATO - the Atlantic alliance - is an encouraging, if imperfect, reflection of this ideal. It has served us well for the past 16 years. NATO could hardly have achieved its political and its military expression, however, if the yeast of the Atlantic unity idea had not been at work before the Treaty of 1949 was signed. When Clarence Streit published Union Now, he was called a visionary, a dreamer. How could governments and peoples, long imbued with their own proud traditions of history, of nationalism, and of sovereignty, how could they give up some of their very substance, of their state freedom, to form a union with other nations -- even for those national purposes which, the history of our century has shown, could no longer be achieved except by collective action? But they did.

If the lessons of history are depressing, it is because they seem never to be learned - at least until it is too late. Yet we can also take some comfort from this historical record, as we look at the scene around us and the road ahead.

If we tend to become too depressed over the troubles that face the world today, we should recall how things seemed in the Atlantic world in the forties.

In 1948, it was our hope that Western Europe and North America, working through co-operating national governments, could provide a nucleus of military strength, economic prosperity and political stability, around which a global balance could be re-established and the extension by force of aggressive Communist imperialism be stopped. We did not know at that time whether this would be possible at all. We did not know, whether, if it were possible, it would take, five, ten, 20 or 50 years to accomplish. We certainly cannot even say today that it has been accomplished. But we have reached a kind of provisional framework - an equilibrium - in which we can live together, both we and the Communist states in Europe, with a hope for progress to something better than mere co-existence.

Indeed, some of our troubles today are the results of our successes in these recent years. In 1948, we were anxious and frightened - with cause - at the threatened extension westward of totalitarian Communism, into those European countries which, while still free, were badly shaken in their political

confidence and almost completely disrupted in their economic life. After the war our problems were of immediate, not ultimate, survival. But today we are concerned with longer-range problems of peace, of prosperity, of development. This is a measure of our progress.

Once the course of history has been changed, even a little, we are prone to look back and regard that change as inevitable. But in 1945, as we looked ahead, there seemed nothing inevitable or certain about the reconstruction of a democratic, prosperous, independent Western Europe that was to take place. There seemed nothing inevitable about a change in the old American habit of peace-time isolation, which had been dominant for 150 years. It was far from inevitable that countries that had never in peace-time pooled any part of their sovereignty would do so now and together organize a collective defence that, in the conditions of the modern world, might prove effective enough to deter another war. We were up against physical destruction, economic stagnation and political defeatism. Vast human and material resources had been blown away and destroyed in war. Out of this waste and weariness could we really construct something new that might help to meet and solve our problems?

Well - it was done. Gradually, hesitantly, painfully, but steadily, things were done. An alliance that was designed to be more than military was welded together in peace-time. Its members began to believe in the possibility of a secure peace - of a good life. Indeed, as the years went by, many even began to forget or ignore the continuing dangers of a yet more horrible war. So they became impatient with the structures and the processes that had made their own comfortable conclusions possible. They - some people and some governments - began to fall back into those historic nationalist grooves which had been the source of so much of the bloodshed and conflict and chaos they had recently endured. With recovery came also impatience and doubt and some distrust.

We should have seen this happening in the Atlantic alliance and countered it. In December 1964, Canada proposed in NATO a reassessment of the nature of the alliance in the light of these changing conditions. Little was done.

Unhappily, it is man's weakness to cling to the ideas, the institutions and the habits of the past - even the recent past - instead of adapting them to the needs of today and tomorrow. So it was with NATO. The weight of inertia and a vested interest in a new status quo, felt especially among the most powerful governments of the alliance, made it difficult to find anyone in a responsible position on either side of the Atlantic who was prepared to come forward and specify in any detail what should be changed. A lot of people were talking about the need for change but nobody, no government, in a position of power was really doing much about it. Then abrupt and unilateral action by France thrust change upon us. Crisis, as always, forced our hands.

We should have acted earlier and not under the compulsion of events. We should have tried to move forward together to a closer international association in order to remove the risk of sliding backwards. In these matters, there is no standing still. Surely the course that should have been taken - should still be taken - is clear.

Today, the facts, the compulsions, and the opportunities lead inexorably toward closer international association and away from the self-sufficient sovereignty of the nation state. The jet planes that fly, the rockets that range in outer space, the universal revolution of rising expectations, combined with the speed of technological change which make their realization possible -- all these make it essential that we move ahead in the field of political and social organization in a way which is at least remotely comparable to our technological and scientific progress.

We can begin with the "like-minded" Atlantic nations, which have already acquired a sense of community and a habit of co-operation, but we must include, ultimately, all mankind. The world is too small for less, yet we continue to boggle even at the first careful steps.

If there is anything that has been made crystal clear by the grim experience of half a century, it is that neither peace nor security nor prosperity can be achieved or maintained by national action alone - or by national policy alone.

So this is no time to weaken in our support for the NATO alliance because it is having difficulties. We must solve these difficulties. But we must not stop there. We must move forward with new resolve toward an international community with common political institutions which covers more than a single continent and spans the Atlantic.

It must also be more than a military alliance. Try as we might, we have never been able to make NATO much more than that. An alliance for defence only, however, is an anachronism in the world of 1966, especially when nuclear power is not shared, by possession or by control, among its members. As Professor Hans Morgenthau has put it: "It is no longer possible to rely completely on the promise of a nuclear ally to forfeit its very existence on behalf of another nation." A guarantee of nuclear support against aggression simply does not now have the credibility that would make it a fully effective deterrent and therefore a guarantee of security.

I repeat, we must develop common, unifying political institutions which would provide for collective foreign and economic policies, as well as genuinely collective defence.

Nothing less will be adequate to meet today's challenge of jets and rockets and hydrogen bombs.

As a leader of a government, I am very conscious that politics is the art of the possible. Anyone with political responsibility must think in terms of what can be done at any given time -- of what public opinion will accept. He must not allow the best to become the enemy of the good. Nevertheless, if we don't keep "the best" always before us as an eventual and essential objective, not only shall we never reach it -- we may even fail to reach the more immediate and good objectives. Nor should we always wait for a crisis to force us to act.



In 1940, Britain - only a few years before cool and confident behind its channel - proposed full union with France. It was the moment when continental Europe was about to fall victim to the Nazi aggressor. The offer was too late. Offers made under the imminence of defeat and collapse, for radical and immediate action to implement ideas which the day before yesterday were considered as visionary and unrealistic, such offers always are too late. Do we have to have panic before we can make progress?

At this moment, moreover, a feeling of discouragement is more likely to work in the wrong way -- not in the transformation of NATO into something better, but in its reduction into something less. This is a very real danger. French policy has underlined it.

General de Gaulle has rejected Atlantic defence integration. He has ordered France's withdrawal from the North Atlantic defence organization. In doing so, his procedures have been brusque and his ideas understandably disturbing to France's friends and allies.

It would be foolish, however, to push the panic button over this. By doing so, we might merely push France not only from the NATO military organization but out of the Atlantic alliance itself. And France does not want to leave the alliance.

It would be shortsighted, also, not to realize that the attitude of Western Europe to American commitments in Europe is changing, just as the attitude of Eastern Europe toward Moscow is changing.

We should not try to throw all the blame on France and General de Gaulle for recent NATO developments. Some of General de Gaulle's decisions, I know, have been disconcerting and seem to indicate a return to a kind of nationalism from which France has suffered as much in the last 50 years as any country in the world. Before we condemn, however, we should try to understand what is behind France's recent actions. France is not, has not been, and will not be, satisfied with an Atlantic organization, or an Atlantic alliance of independent states, dominated by America. France, and not only France, feels that continental Europe is now strong enough (in large part because of the generous assistance of the U.S.A.) to be given its rightful share in the control of the policies of the alliance.

While France is not alone in this feeling, only de Gaulle has translated it into policy and action. If he has gone too far in that action (as I think he has), if he is on the wrong course, we should not drive him farther in the wrong direction but try to bring him back to the right course by seriously re-examining the purposes and the organization of NATO in the light of 1966, not 1948. As I have said, we should have done it years ago. If the reason for General de Gaulle's action is his belief that the other allies will not consider any change to NATO to meet new conditions, let's take positive action about the necessary reforms. Surely it doesn't make sense any longer to take the position that NATO is sacrosanct and mustn't be altered. Our reaction should be just the opposite.

In short, to rail at General de Gaulle, because he is demanding, for France, a position in the Atlantic alliance equal to that of Britain and somewhat closer to that of the U.S.A. is to show a dangerous misunderstanding of the situation.

May I refer on this point to some observations in Max Frankel's penetrating article, "Our Friends, the French", in the April number of Freedom and Union?

Mr. Frankel is somewhat critical of his own country's share in the responsibility for NATO, as he puts it, "becoming an anachronism whose defensive or military purposes were long ago overtaken by technological change and whose diplomatic purposes we have never managed to define or construct". He believes that not de Gaulle's stubbornness but a long chain of events and conflicting governmental policies - including those of the United States - has caused the disarray.

I do not see the Atlantic nations going forward together to a secure and hopeful future without France. Therefore, we must find a way out of our present NATO difficulties so that France can fully participate in the march to greater, not less, Atlantic unity.

We must not give up the ultimate vision of closer Atlantic unity just because some clouds are obscuring the immediate future of NATO.

Indeed, a new move forward to realize the greater vision may help remove some of the nearer clouds.

We must now look at the picture ahead of us with the courage and imagination we showed 17 years ago when the NATO pact was signed. Taking this same cradle area of the Atlantic nations, we must ask ourselves what sort of Atlantica would we like our children to inherit from us in five years, ten years, 20 years? What sort of vision of the future can we hold up as a rallying point, as an objective of policy, without pretending that it must turn out the way we wish but convinced in our own minds that, given goodwill, dedicated hard work, and a certain amount of good luck, it could be that way.

This forward march must be Atlantic, and not merely European or North American. But it must provide for more control by Europe of its direction and its character -- a Europe, moreover, which would include Britain.

I realize that a united Europe, would, in its political, economic and military decisions, be more independent of Washington than is the case now. But what is wrong about this?

There are those who worry about the "separateness" of such a European development and who would therefore prefer to concentrate now on the federal union of all the Atlantic peoples, even at the expense of earlier European union. If we are realistic, however, we may have to accept at this time the more practical immediate objective of a united Europe -- not as an obstacle to, but as a stage on the way to, Atlantic union.

If we cannot at present achieve a pattern of Atlantic federalism, it may be necessary to acknowledge the realities of the situation and, as North Americans, work with Europeans in the hope that, in the longer sweep of history, both European and North American will come to realize that their respective affairs can best be harmonized in a wider union. If an intervening European stage is necessary, however, it must be taken not in continental isolation but in close Atlantic co-operation and understanding.

As I try to grope my own way towards a conception that would make sense for North America, and for both Western and even Eastern Europe, I am convinced that we cannot insist on retaining NATO in its present form as the only foundation for building a more genuinely international structure more appropriate for the future. I am equally sure that continentalism, either of the European or North American variety, is not the answer.

Finally, I believe that only the United States can give the effective lead required for Atlantic unity. Without its active participation and support, nothing can be done -- at least on the broad front which is essential. Without its leadership, we shall be driven back to a national or continental solution for the organization of security and for progress.

So we in other countries should be heartened by the fact that 111 senators and congressmen, from 34 states and from both parties, have co-sponsored or supported the resolution on Atlantic unity -- along with ex-presidents, former presidential candidates and governors. The list includes two names that mean much to all free citizens throughout the world -- President Truman and President Eisenhower.

With this kind of backing, with this kind of understanding and vision, who dares not take this initiative seriously?

Years ago, before the North Atlantic Treaty or the United Nations Charter, even before the United States or Canada had ever been heard of, when the Sioux and the Blood Indians hunted over the western prairies, their young men, on coming of age, would retire alone to some hill or mountain. There, in solitude, fasting, watching, they would seek before entering on their adult years to look at themselves with the best that was in them, to purify their thought and their feeling, and to seek the guideposts they would try to live by as men. This solitary vigil they called "crying for a vision". Now, more than ever before, we need as individuals, as nations, to "cry for a vision", and then, with devotion and persistence, to strive for its realization. It is a tribute to the peoples who live on both sides of the Atlantic that, at critical times in their history, they have always rallied to a great and challenging cause once they were convinced that this was the right and necessary thing to do.

Tonight I pay my humble tribute to those good and brave men (some are present here tonight) who have this conviction and who are working with single-minded dedication to lay the foundation of policy and action looking toward a union of peoples for peace and freedom.



What we seek is new and unprecedented. But so is our world. Abraham Lincoln once said: "As our case is new, so we must think and act anew."

Today, we must think anew and act anew.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/28

## CONDITIONS FOR PEACE IN AFRICA AND THE WORLD

Notes Used by the Secretary of State for External Affairs, the Honourable Paul Martin, at the Consultation "Focus on Africa" Sponsored by the Canadian Council of Churches, Queen's University, Kingston, June 17, 1966.

I should like to thank you, Mr. Chairman, for the invitation to speak during your conference. It is a pleasure to meet again with representatives of the churches and others interested in Africa. We have many mutual interests in this and other aspects of international affairs.

I thought that, in view of the detailed study in which you have already engaged of various facets of Canadian interests in Africa, I might best contribute by providing a general account of Government policy in the field of economic assistance in Africa and elsewhere. Questions of economic aid and of trade are very important, of course, in our relations with African nations. I should also like to comment on particular political problems in Africa. In both cases, I should like to suggest some of the conditions required for peaceful and mutually profitable relations between nations in various areas of the world.

### General Policy - Economic Assistance

In November 1963, the Government decided to embark on a phased expansion of its economic assistance programmes over a period of three years. It decided to make substantial quantitative and qualitative improvements which would enable Canada to assist the developing countries more effectively.

In the current fiscal year, appropriations for economic assistance will come close to \$300 million. In the last four years approximately, our appropriations have almost tripled. I am glad to confirm the Government's intention to continue making substantial increases in aid allocations. We are working towards levels of aid activity which will enable us to play our full part in the development effort while taking fully into account:

- (a) the recommendations of competent international organizations;
- (b) our own special position as a net importer of capital; and
- (c) the need to develop programmes which will be of a type and of a quality that will most effectively assist development in the nations concerned.

This is a very broad picture of Government policy. I do not want to present too much detail which might obscure the main lines of our activities. I should remind you, however, that carrying out an economic assistance programme is not simply a matter of making allocations - writing a larger cheque each year as it were. That is only the beginning. The agency concerned must then proceed on the basis of parliamentary authority to implement the plans. This involves a very considerable effort of discussion and negotiation, the movement of people and supplies, the introduction of new programmes, the criticism and revision of existing programmes and the effective central administration of public funds.

International organizations are, of course, involved in the use of some of the funds we allocate. For the most part, however, our aid is carried out by Canadians, by the Government and by the agencies and individuals whose services are enlisted. In considering the expansion of assistance in recent years, therefore, we must not think only of total allocations but consider also the significance, in terms of time and effort, of the increased levels of activity and of new departures in aid techniques.

#### Current Activities

The past fiscal year has been characterized by an expansion in the size of both bilateral and multilateral aid programmes. A new development-loan programme has been implemented. There have been record levels of recruitment and training in the field of technical assistance. We have given particular emphasis to food aid in response to urgent requests from abroad.

Churches in Canada were particularly concerned about the critical shortage of food in India. We expect to ship 1 million tons of wheat to India during 1966. Canada will, therefore, be contributing more wheat to India, on a general comparative basis, than other countries.

Canada sponsored training programmes and courses of study for some 2,300 overseas students from over 60 different countries during the year and provided over 800 teachers, professors and technical advisers for service abroad. These figures should be set alongside the comparable ones of 700 overseas students and 83 Canadian experts, five years ago, as an indication of the growth in these programmes. Work went rapidly ahead on projects ranging from dams to schools in Asia, Africa, the Caribbean and Latin America. These were financed under grant aid and the new development-loan programme introduced late in 1964.

The chronic agricultural problem which prevails in most of the developing world received particular attention. During the past year we devoted approximately 16 per cent of our bilateral aid to overseas agricultural development in the improvement of irrigation facilities and rural electrification, in the provision of pesticides, fertilizers and fertilizer components and in many other ways.

Since we are particularly interested in Africa today, I might mention, by way of example, some of the projects or programmes under way in that continent. As you probably know, we have two programmes there, one for Commonwealth African countries and one for French-speaking countries.



## Aid Programmes - Africa

The establishment of a trades training centre in Accra has been a noteworthy development in Ghana, along with the launching of an irrigation and land development project in the northern regions and the provision of food aid to that country for the first time. In Nigeria, a \$3.5-million project involving the aerial photography, ground control and mapping of the Western Region is nearing completion. A trades training centre will be established in Nigeria also, and Canadians are providing training and technical advice in the operation of the Niger dam. Canadian firms are engaged in the aerial photography and mapping of Tanzania's southeast region and a development loan is being extended for transmission lines. In Kenya we are assisting in the development of a wheat-breeding programme. We have undertaken, in co-operation with Britain, a study to determine the line of route and economic feasibility of a proposed railway from Zambia to Dar-es-Salaam.

Canadian technical assistance for all regions of Africa has, of course, been concentrated on areas of particular need in the economy, in the sciences, education and in medicine. Individual Canadians or teams find themselves undertaking tasks of all types throughout the continent. I have noted a report about a Canadian adviser in Malawi who has succeeded in doubling the output of one of that country's largest sawmills in less than six months. I recall that we were instrumental in securing the services of a Canadian who is now economic adviser to the President of Zambia.

I am glad to say that the programme for French-speaking African nations continues to enjoy a rapid rate of expansion. In 1961-62, for example, when the programme commenced, seven teachers were recruited. In 1965-66, 166 teachers were under contract. The largest group of Canadian professors serving in French-speaking Africa is that composed of 36 men assigned to the University of Rwanda.

An eight-year paediatric training project will commence shortly in Tunis. Paper has been provided for textbooks in the Congo and work is about to commence on a pilot project livestock-feed plant in Cameroun. This project could lead to the establishment of a series of plants and clinics.

The University of Ottawa is undertaking in Canada an educational project of considerable interest. It is setting up courses for the training of middle level management personnel. The Institut des Hautes Etudes d'Outre-Mer in Paris, which has a long established reputation in the educational field, will give full credit to graduates of the University of Ottawa course who wish to continue at the Institute.

Our contribution to programmes carried out by international agencies has been an expanding one also.

## International Programmes

Last January, Canada pledged \$30 million (Canadian) to the World Food Programme for the next three years. This was the second highest pledge. Last year we stood fifth among contributors to United Nations technical assistance

and were fifth largest contributor also to the other, or Special Fund, component of the United Nations Development Programme and to the UNDP as a whole, with a contribution of \$9.5 million (Canadian).

At the last annual meeting of the World Bank Group, the Minister of Finance undertook that Canada would co-operate fully in the proposed replenishment of the resources of the International Development Association. Canada has already, since 1960, committed more than \$85 million (Canadian) to the Association. During the last two years we have made available \$35 million (Canadian) to the Inter-American Development Bank (of which \$20 million is for loans on 50-year, no-interest terms). We will be subscribing \$27 million (Canadian) to support the Asian Development Bank in its developmental operations in Asia.

We also give substantial support to other multilateral-aid bodies, which have a very important developmental role on behalf of the international community. In this way Canada assists programmes designed to fill needs as diverse as those of children in the developing countries, through UNICEF, and refugees in Palestine.

I have been referring to Governmental aid because this is the field about which you expected me to speak. I should like, however, to pay tribute on behalf of the Government to the deep concern, the humanitarian zeal and practical desire to help other countries manifested by churches and other voluntary agencies in Canada. In this field particularly of external affairs, I should expect a generous response from Canadians. The Government will continue to co-operate closely with such agencies. It is our hope that they will obtain increasing financial support from the private sector of our economy, thus adding to the total amount of assistance which can be given by Canada for economic development in the countries concerned.

#### Need for Aid

I do not have to say very much before an audience of this type about the overwhelming needs in many parts of the world to which the increasing Canadian effort I have outlined is a response.

You know about the disparities in per capita income between developed and developing nations - sometimes of the order of 20 or 30 times - which would shock others if they stopped to consider the human realities involved.

The great and growing gap between the wealth and welfare of the economically-developed countries and the rest of the world has been well documented by experts. George Woods, the able and experienced President of the World Bank group of institutions, last January drew an alarming picture of the consequences of the present loss of momentum in development. He called for what he described as a "major and irrevocable decision about development assistance" from the capital-exporting countries and set the requirement for the flow of capital to developing countries during the next five years, the last five years of the Development Decade, as some \$3 to \$4 billion a year more than they are getting at present.

The growing burden of debt repayment is a very critical problem for an increasing number of the developing countries. It is estimated that, if aid continues at about its present level and on the same terms, by 1980 the repayment outflows will be as great as the incoming assistance. In other words, the foreign



aid available at that time will be sufficient only to balance off the debt repayment.

This is a critical time for the world so far as the whole conception of development assistance is concerned. In recognizing the urgency of the problem and trying to respond by increased effort, we must also take stock of the whole situation. There are questions about basic motivation, about our hopes for peace in the world, about the theoretical feasibility of effecting a substantial change in the economic life of other nations and about the actual efficiency of existing programmes which should be, and are to an increasing extent being, debated.

It is essential to have a clear understanding on such points in order that there should be public support for programmes which, if they are to be really effective, will have to go on for some time yet.

#### Co-ordination of Aid

In the first place, are the developed nations aiming at a high degree of efficiency in these programmes? Are the programmes rigorously examined in the light of the real objectives of economic growth? I think that I would say, to borrow the words of the President of the International Bank, that all of us concerned with the Canadian aid effort ask ourselves constantly, "is this an investment which promises to make a lasting contribution to increasing productivity? Will it provide wealth necessary not just to repay the loan but also to add something to the well-being of the people of the country?"

I have already stressed that increasing aid activities is not just a matter of approving allocations. It requires a great effort of judgment and organization to ensure that the right thing is done. Fortunately, the developed nations are acquiring by experience a very considerable body of knowledge which is applied, after consultation and co-ordination, to the actual programmes of international agencies or of individual nations.

We are doing this with other donor countries in the Development Assistance Committee of the Organization for Economic Co-operation and Development. The members of the Organization represent the donors of the overwhelming part of the total capital flow to developing countries. We are doing it in various bodies of the United Nations, including especially the consultative groups and consortiums of the World Bank.

There is now, of course, a considerable variety in agencies or programmes created by individual donor nations or set up on an international basis. This reflects the necessity for differentiation in the techniques for giving economic assistance.

Most developed nations prefer to extend most of that assistance directly. They recognize, however, that institutions such as the World Bank group and the Special Fund component of the United Nations Development Programme have established remarkable reputations for achieving results in co-operation with the governments of developing countries which would not likely have been attainable otherwise. There is little doubt that economic assistance will continue to be given both through national and international channels. Provided the nations and agencies concerned consult among themselves and co-ordinate their activities as much as possible, I believe that the work can be done in this way with reasonable efficiency.



### Long-Term Prospects

In a broader sense, economists and others have come to realize the full dimensions of the international effort which will be required to bring the under-developed nations to the degree of economic maturity which would enable them to proceed with development and trade without assistance or special concessions. Technology and money can work many wonders, but it must also be recognized, to quote one student of development that: "Technical knowledge, the machine and capital goods in general, never exist in the abstract but always only in the relatively fleeting forms suited to the momentary situation and to that complex of unique problems to which they have been adapted."

Another economist, Rostow, in his well-known study of the Stages of Economic Growth, points out that: "In short, the rise in the rate of investment (which has been pointed to as the indication that sustained economic growth is really under way) requires a radical shift in the society's effective attitude toward fundamental and applied science; toward the initiation of change in productive technique, toward the taking of risk, and toward the conditions and methods of work."

It is clear that what one agency described as "economic relations between unequally developed countries" will continue to characterize international affairs for some time to come and that economic relations must take trade as much into account as development finance. The United Nations Conference on Trade and Development two years ago and the follow-up meeting since have revealed how many complex problems have to be overcome in the process of adjusting world trading relations to help the developing countries. Canada and other developed countries have supported efforts to achieve realistic international agreements with respect to the prices for certain commodities, but neither these agreements nor other trade measures can solve the problems of the less-developed countries without development aid as well.

### Motivation of Aid

Since it is the long haul we are talking about, basic motivation and ultimate political expectations matter a good deal. I have, on other occasions, discussed the principles and purposes of foreign aid and emphasized my own belief that the basic motivation is very complex, resting both on humanitarian and political considerations and having its ultimate justification in hopes for peace and stability in the world. Short-term political goals or direct commercial advantages are not the national interests we pursue in this field. We seek the national interest, to be sure, but we define it in other terms.

There is, of course, a considerable debate going on among economists and political scientists about foreign-aid motivation. It seems invariably to be carried on in terms of the thinking and interests of donor nations. Perhaps we should approach the question differently. So far as I am concerned, Canada is responding to the requests of developing nations. I am interested in their thinking on the subject.

When African states drew up a charter of unity in Addis Ababa in 1963, they naturally devoted a good deal of attention to economic problems. They noted, among others, the considerations that "economic development, including the expansion of trade on the basis of fair and remunerative prices, should tend to eliminate the need for external economic aid, and that such external economic aid should be unconditional and should not prejudice the independence of African states".

This statement expresses some of the chief concerns of developing nations in Africa or elsewhere. It is clear that they want to derive the benefits of trade under the conditions which we in the developed nations consider normal. They want to obtain for their peoples the standard of living which technology, education, hard work and political stability can obviously, under contemporary conditions, produce. They want to bolster a highly cherished political independence with economic strength.

The responsibility of initiating this drive for better conditions, of defining the goals and of providing the greatest amount of the effort, is that of the developing nations. But if, in undertaking this drive, they turn to the developed nations for some of the credits, the grants, the technical knowledge and advice which are extremely important in achieving the initial momentum of economic growth, then we can only say that the efforts which they are willing to undertake on their own behalf have self-evident value in terms of our interest also, and that we shall help. No developed country which attributes any importance to its acceptance of the United Nations Charter could, so far as I am concerned, do otherwise.

There is an abundance of reasons supporting this view, ranging all the way from instinctive humanitarianism to political realism. I might remind you of some of the considerations of realism. If the independence of nations should be threatened by extreme poverty leading to anarchy, there would be a considerable temptation to those with greater power to intervene, with all the threats which intervention would pose to world peace. If the solution of some problems of frontiers, of lines of communication and of resources are not sought through regional and world economic co-operation, they will become the sources of brooding resentments and conflicts. If the relationship between races which characterized earlier eras of industrial revolution and colonialism is not clearly altered by new conditions of economic co-operation and political respect, then resentments, misunderstanding, ideological clashes and the formation of political blocs will impede diplomacy, international co-operation and trade.

In purely economic terms, the gradual effect on the world market of economic growth in all parts of the world reflected in the capacity of more nations to export and import on a more diversified basis without external assistance will be a good one.

We can never expect economic development alone to guarantee peace, however. In the concluding section of my remarks, I should like to turn to some of the political conditions for peaceful change.

## Political Developments - Africa

The violent struggles which preceded and accompanied in some cases the end of colonialism; the subsequent problems of instability and adjustment; dramatic problems such as those arising in the Congo - these have all focused attention on political developments in Africa. I should say, however, that I have been just as much aware of the achievements of newly-independent African nations. These include the creation, out of rival groupings, of a single Organization of African Unity spanning the entire continent. These countries have made Africa's voice strongly felt at the United Nations and in other international organizations.

Some people maintain, because of continuing problems of colonialism and racial relations, that the interests of the black and white races are essentially opposed. I do not agree. Black and white have a basic community of interest in economic development and in the goal of racial equality and co-operation. This community of interest is reflected in a remarkable way in daily personal relations between black Africans and the white people living among them. To my mind this is the overriding reality in relations between Western countries and the countries of black Africa, not political difference and memories of past struggles.

To relate these general considerations to specific problems in Africa, I should point out that the Canadian Government is in general agreement with the leaders of black Africa that the objective throughout Africa as elsewhere should be majority rule. This shared view has enabled us to adopt a common approach with African leaders on many issues at the United Nations and also at meetings of Commonwealth prime ministers. We do not, however, agree in all respects with African countries.

Our disagreement with the Africans about problems in the southern part of the continent is not on objectives but on methods and timing. We do not agree that military force and coercion should be used to bring about the necessary changes in that area. Nor do we believe that all the problems in the southern part of Africa should necessarily receive similar treatment.

## Rhodesian Problem

We believe the problems in this area should be kept apart as far as possible because there are significant points of difference between them. We also believe that the problem of Rhodesia should be kept as isolated as possible for tactical reasons. That is one reason why we do not believe that, in present circumstances, United Nations mandatory sanctions should be applied to the illegal régime in Rhodesia. Such a step would seem likely to drive Rhodesia, Portugal and South Africa closer together and, therefore, to delay rather than speed up a satisfactory solution of the Rhodesian problem.

This is an important problem for Canada as a member of the Commonwealth. I do not need to outline in detail to this audience Canadian policy and its basis. They are well known to you.



Although we do not favour mandatory UN sanctions at present, we do strongly support the most widespread application of voluntary economic measures against the illegal régime. We have imposed a total embargo on Canadian trade with Rhodesia and we believe that time should be allowed for these sanctions to work. We believe they are the best means to achieve what we along with the African states desire, that is a solution looking to majority rule with safeguards for the minority.

The first step to this solution is to end the illegal situation. Economic sanctions may bring about this solution by persuading white Rhodesians that their illegal declaration of independence was a grave mistake.

The underlying reasons for our policy are also well known. The Prime Minister and I have, on a number of occasions, pointed out the importance to the maintenance of the multi-racial Commonwealth of a solution in Rhodesia acceptable to Rhodesians as a whole and to the members of the Commonwealth. We have pointed out that Canada's sanctions policy is pursuant also to the Security Council resolution of November 20 and is thus consistent with our general policy of support for the United Nations.

We have pointed out also a third major reason for our policy, a reason which is in fact at the root of the other two factors. I refer to the moral roots of our policy. We disapprove of the illegal régime because it seeks to perpetuate a political system which denies effective political rights to about four million Africans who constitute about seventeenth-eightieths of the population of Rhodesia. The white settlers, who number about 200,000, wish to be independent on the basis of a constitution which, although in theory non-discriminatory, sharply discriminates in practice between white and black.

It is because of this discrimination in politics, in economics and in education that Rhodesia, under its present régime, is unacceptable to the multi-racial Commonwealth. It is for these reasons that an acceptable solution of the Rhodesian problem may well be an indispensable condition for the continued health and even existence of this valuable association between different races, religions and continents.

### Conclusion

These specific problems in Africa indicate some of the conditions required for peaceful development in the world. Relations between races, some remaining problems of colonialism, the assumption of sovereignty by a number of nations within a short period, economic growth and trade - all are developments or subjects for discussion of the greatest importance in world councils. Many of the associated problems arouse deep emotions and involve cultural and internal political and economic matters which have not often been the concern of diplomacy in other periods. They are matters for concern now, whether the forum be an African one, or a Commonwealth one, or a United Nations one. The basic conditions for peace, as we now understand them, must include these wider human concerns. Halting as its voice may be on some political and humanitarian matters, there is a world community attempting to set standards above those of the national interests of individual sovereign states.

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If our concern is wider and our hopes for improvement are greater than in the past, then our disappointments can be greater too, at the slow progress in some fields. It is easy enough for fear, hatred and arrogance to dominate human and national relations. The only answer is to maintain the momentum of a drive for a sane world order in which a profound concern for human welfare and justice will guide nations towards rational solutions of their differences.

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### CANADA WORKS QUIETLY FOR PEACE IN VIETNAM

A Statement to the House of Commons on July 8, 1966,  
by the Secretary of State for External Affairs, the  
Honourable Paul Martin.

... Let there be no doubt; we are all concerned about /Vietnam. On a number of occasions the Government has expressed its reservations with regard to the bombing of North Vietnam and about the whole sequence of events which led the United States to the conclusion that it had no option but to adopt this course. I made my views known before the recent bombings took place, and in a manner which I believe was the most effective way to engage in consultations with a country with which Canada has such close ties.

One could be dramatic. One could engage in particular public postures that might bring acclaim, but I want to say that as long as I am Secretary of State for External Affairs, and certainly with regard to this situation, I am going to carry on in the way which I believe will most likely yield favourable results, rather than seek acclaim by some public position that is not capable of yielding a satisfactory solution.

The Prime Minister made clear on June 29 that we should be glad to see the bombing stopped, that we should be glad to see the infiltration of North Vietnamese troops into South Vietnam stopped, and that we should be glad to see unconditional negotiations for peace started. This has always been our position. We urged a cease-fire before the President of the United States said he was prepared to enter into peace talks without any preconditions. When we now urge a cease-fire, we must take into account some of the implications which were mentioned yesterday by Mr. Wilson. We could have talks if the parties were so disposed, without waiting for a cease-fire, and these talks in turn might lead to a cease-fire.

I think it important that we understand fully the implications of the action which has now been taken to bomb the oil-storage facilities in North Vietnam. I do not think we can limit our analysis merely to the military aspects of this operation. I propose to go beyond these aspects, to go into other implications which seem to me essential to a full appreciation of the present situation.

So far as the strictly military aspects are concerned, it can be argued that the general pattern of activity has not been significantly altered by the bombing of the oil-storage facilities of North Vietnam. On the understanding that has been communicated to me, it is not the intention of the United States Government to extend the bombing to targets which are not directly related to the infiltration of men and supplies from North Vietnam to buttress the insurgency in the South.

The fact is that the oil-storage facilities which have been the target of recent attacks are located in close proximity to major concentrations of population in North Vietnam. I take it from the preliminary reports that have been made available to the Government



of Canada that every care has been taken to spare civilian life in those operations. Nevertheless, I should be less than frank if I did not say there is a risk inherent in these operations in terms of giving this conflict a character, a complexion, which I am sure all of us would be concerned to avoid....

There is a further aspect to these latest operations which is bound to cause concern. That is the possibility... of a greater engagement in this conflict by those who have supported and actively encouraged the policies and the efforts of the Government of North Vietnam. It is not possible, I think, beyond a certain point, to estimate what the threshold of that greater engagement may be, but it must be clear that everyone in every country, in all of the continents, is concerned about the dangers flowing from any change in the pattern of the present conflict.

It seems to me exceedingly difficult to guarantee against a miscalculation on the part of one or other of the powers concerned who may consider the course of developments in Vietnam as carrying a direct risk to their national security. All I can say at the moment is that, from all the information that has been made available to us, there appears to be a continuing recognition of the need for restraint on the part of all the governments directly concerned in the conflict.

I wish to deal with a matter which seems to me to be crucial from the point of view of the Canadian Government and of other governments which believe that a negotiated solution is the right way of resolving the Vietnam conflict. The question we must ask ourselves is whether these latest developments, or any future developments tending in the same direction, are likely to help or hinder the prospect of such a solution. This has been the cornerstone of Canada's policy and the guiding consideration in the efforts which we have been making in recent months.

I am bound to say, on balance, that, whatever the rights or wrongs of the situation may be, it is the judgment of the Canadian Government that there is a relation between this whole matter of bombing and the prospects of arriving at even a beginning of a process which might in due course yield an honourable accommodation of the interests of the major parties in the conflict in Vietnam.

I should like to take this point a little further by explaining to the House the positions of the Government of North Vietnam and the Government of the United States, as I understand them, on the basis of what has been said publicly and in private discussions. The Government of North Vietnam has called for a permanent and unconditional cessation of all bombing and other acts of war against their territory. This is one of the elements in a letter which President Ho Chi Minh addressed to the Prime Minister on January 24, and in the absence of which the Government of North Vietnam does not appear prepared to envisage a political solution. The argument behind the formulation is that, by bombing targets in North Vietnam, the United States is encroaching on the sovereignty of that country, and that this is a violation of accepted standards of international law and international relations. The Government of North Vietnam, accordingly, does not think that a willingness to cease this bombing should be qualified by any conditions whatsoever, or that it warrants any countervailing undertakings by the North Vietnamese Government in respect of its own policies.

I think the North Vietnamese point of view is well reflected in a statement issued by the Chinese authorities in Peking on July 3 last. The following extract is relevant to this matter:

"U.S. imperialism long ago completely violated the Geneva Agreements and broke the line of demarcation between South and North Vietnam. It has now further broken this line by its bombing of the capital of the heroic Vietnamese people. The United States must be held responsible for all the serious consequences arising therefrom. With the breaking of the line of demarcation by the United States, the Vietnamese people have ceased to be subject to any restrictions."

This is a significant statement. The House will note that it refers twice to the demarcation line which, however temporary it was designed to be, was laid down in the Geneva Cease-Fire Agreement of 1954. The statement appears to argue that, so long as this Agreement has not been superseded by a permanent settlement of the whole Vietnam question, that line must to all intents and purposes be regarded as a de facto political boundary between North and South Vietnam, and must be respected as such.

This interpretation of the provisions of the Geneva Agreement is, I think, one which Canada, as a member of the International Commission in Vietnam, is bound to take seriously. It is also, I think, an interpretation which lies at the root of the whole position of the Government of the United States as regards the matter of support and sustenance which the Government of North Vietnam has afforded to the insurgency in the South. I regret to say, however, that it is only partially accepted in the statement from which I have read to the House. For, having placed due emphasis on the inviolability of the line of demarcation between South and North Vietnam, the Chinese statement goes on to say that "all support and aid rendered by the North Vietnamese people to South Vietnam are within the sacred right of the Vietnamese people". It is this evident inconsistency which is the crux of the problem we are facing in Vietnam and to which we must address ourselves if there is to be any prospect of a peaceful and lasting settlement of the present conflict.

What is the position of the Government of the United States? It is in the following terms, as they have been given to us. The United States is prepared to stop the bombing of North Vietnam at any time as part of a mutual reduction of hostilities on both sides. They regard the military activities of North and South Vietnam as forming part of a single problem. If the North Vietnamese were prepared to respect the demarcation line in terms of the assistance they are providing to the insurgency in the South, the United States, for their part, would be prepared to match such a move by halting the bombing of targets in the North which are associated with that assistance.

This, then, is the impasse as I see it. There is a relation between this matter of bombing and whatever moves it may be possible to make towards an eventual settlement....



The North Vietnamese Government believes that the bombing of their territory should be stopped by a unilateral commitment on the part of the United States. The United States Government, on the other hand, argues that it is unrealistic to expect them to give a unilateral commitment of this kind which would leave North Vietnam without any commitment in respect of their infiltration of men and supplies into the South.

What is to be the position of the Canadian Government in this situation? I believe that there are two choices open to us. We can take strong public positions on any or all of the issues involved in the present conflict. That is the easiest thing we can do. Alternatively, we can continue to do what we have been trying to do. So long as I am in this office that is what I propose to continue to do, because I believe this is the only effective way available of achieving the objectives we have in mind. We shall continue to conduct quietly and through diplomatic channels our efforts to find the basis for an accommodation in Vietnam.

I should seriously suggest to the House that we can follow one or the other course I have mentioned. We cannot effectively follow both at one and the same time. I think we have to admit to ourselves that there are no simple solutions to this conflict. And, because there are no simple solutions, a settlement in Vietnam will not be achieved overnight; it can only emerge from a patient probing of positions.

It will have to go right to the roots and the origins of the conflict in Vietnam and it will have to be such as to hold out an assured prospect of peace and stability, not only in Vietnam but in Southeast Asia as a whole. This is what Lord Avon had in mind when he talked of neutralization -- not now, not as a means to bring this conflict to an end, but as the kind of solution that would follow a negotiated settlement. If this is what we are working toward, then I think it will be agreed we must take first steps first.

It is being put to me from time to time that Canada, either by itself or in co-operation with other countries, should issue a call to a new Geneva conference. Before we set out to determine the proposed new role for the Commission, we had already done that. Before we sent Mr. Ronning to Hanoi and Saigon and elsewhere, we had already done that. I now resist this course, not because it is unreasonable or because it does not represent a long-term objective of the Government of Canada. We have had discussions with the Government of India -- and I mention India because of the speech made yesterday by her distinguished Prime Minister to the effect that there should be a conference called.

This proposal was made over a year ago, and again last November, before we contemplated the proposed role for the Commission, and before we decided on the Ronning missions. I have now resisted this course, in the sense that I have resisted it before, because all the information available to me indicates that a call of this kind will not have the desired results in present circumstances, much as I should like to be able to say that the situation was otherwise. We have been told this without going to Moscow, on the highest authority. It is one thing to call for a conference; it is quite another thing to ensure its being attended by those who must be there.



It seems to me that a conference lies at the end of the road, not at the beginning. If one could be held now, and if the Soviet Union, as Co-Chairman, acquiesced in the suggestion of the Prime Minister of India to join with Britain in calling such a conference, all of us would support this. But I should have to say, as I have already implied, that, knowing what I do, I should be greatly surprised if the representatives that must be at such a conference would be prepared to attend one at this time, whether it would be on Vietnam or indirectly on Laos or Cambodia....

I cannot foresee what intermediate steps may have to intervene before the time for such a conference is ripe. But, on the basis of all the discussion we have had, it is my assessment that it is likely there would have to be some preliminary undertakings (and I emphasize the word "undertakings") about the points of substance which are at issue in this conflict. What this means, in Canadian terms, is that we must do all we can to try to create the conditions in which the processes which will lead to an ultimate settlement can be started. This is precisely the task to which we have addressed ourselves.

I say again that we welcome the proposals made yesterday by the Prime Minister of India. The purposes and objectives behind her proposals are shared by the Canadian Government and they are shared by all of us in this House. If these proposals commend themselves to the parties concerned, and if the parties concerned would attend the conference -- I am sure the United States would be among those that would -- and if progress on that basis were possible, I can assure the House and the Government of India that Canada is prepared to do whatever may be required of us to see that these proposals are translated into action.

My right hon. friend spoke of Mr. Ronning's two visits to Hanoi. I should like to underline certain aspects of this initiative which may have been lost sight of in the great volume of publicity... which Mr. Ronning's visits have generated.

First, I have said that this was a Canadian initiative and that it was carried out by Mr. Ronning on the instructions of the Canadian Government, and not on the instructions in any way of any other government. I reiterate this today because the impression has been created in some quarters that Mr. Ronning's mandate may have been something other than it was.

Second, I should like the House to understand that the assignment we have taken on is essentially in the nature of a good offices assignment. It is inherent in such an assignment that we should be concerned to understand the positions and attitudes of all the parties, and that we should do our best to interpret and clarify the positions and attitudes of one side to the other. That, broadly speaking, has been the form which Mr. Ronning's assignment has taken.

Third, I would like to restate the ultimate object of this initiative. It has seemed to us that, if a beginning is to be made in the long and patient process which we hope will lead to ultimate peace in Vietnam, we must find a basis on which both sides would be prepared to see such a beginning made. The mere calling of a conference, desirable as that is, does not meet this essential objective, as we have learned in our discussions with both sides. This is

the only potentially useful channel through which there has been contact with both sides in a long time. I will not say it is the only channel, but it is the only channel which has access to both sides. I regard this as a tribute to our country as well as to Mr. Ronning himself.

I do not wish to give the House a misleading impression of our results so far. We have not achieved any spectacular results and I think I can quite frankly say that we have had no illusions as to the pace at which progress was likely to be possible.

As I have explained previously to the House, we regard the two visits which have now been made to Hanoi -- there may be others -- as phases of a continuing effort. Over how long a period of time this effort may extend I cannot say. What is significant is that we have had a fair hearing and on both occasions with the top personalities of the North and the South and, of course, with the Government of the United States. I can say that if the channel we have established remains open, and if its potential usefulness is not called into question by any of those concerned, I do not think, in a situation where a failure of communication may be crucial, we can discount the significance of such a channel for the time when the circumstances for the solution of the Vietnam conflict are ripe.

The situation facing us in Vietnam is as serious as any which has faced us since the Korean war. Since that time there has been growing confidence on the part of the international community that it has the means of bringing its influence to bear on situations of this kind, and to put an end to armed conflict, and to lay the groundwork for political solutions. That is the essence of the conception of peace-keeping which Canada and others have tried to develop and strengthen through the United Nations.

We accepted the suggestion of the President of the United States that he would welcome any effort by any country to try to bring about at least preliminary talks that might lead to serious negotiations, which in turn might result in a negotiated settlement. It was in the light of this situation that we thought last December there was a role for the International Commission. Canada, India and Poland, as members of this Commission, have had experience in Indochina now for 11 years. Being the only body that has a continuing link with Hanoi and Saigon, we thought that, quite apart from any authority given to that Commission under the Geneva Agreement, it might undertake the effort to try and bring about a narrowing in the position taken by the various parties.

To that end we have had useful and fruitful exchanges with India and Poland. Our view was that the time had come to use the Commission for this purpose. We did not suggest they were not as sincerely interested in peace as we were. One of the countries took the position that perhaps this was not the particular moment in which to establish a role for the Commission as a mediating instrument. But we continue, all of us, India, Poland and Canada -- and this was reaffirmed yesterday by the Prime Minister of India -- to look upon the Commission as having a role in this situation.



The Government of India reaffirmed yesterday that they would be happy to see the Commission used to try and bring the parties together. Because we felt there would be some delay in trying to use the Commission for the purpose I have mentioned, the Government asked Mr. Ronning, a man born in China, who speaks Chinese, who knows many of the personalities involved, to undertake, if this could be arranged with the support of the governments concerned -- the United States, North Vietnam and South Vietnam -- a series of discussions to find out if there was a basis for a preliminary discussion between the parties.

We have made a commitment, and we intend to respect it, to the parties concerned that what went on in Hanoi is a matter that must rest with the Government of Canada until such time as we are in a position to report, finally, success or failure. It cannot be any other way.....

We have had discussions only this week with representatives of the Government of the United States, right here in Ottawa. I have had discussions, as the Prime Minister has, with the Deputy Premier of the Soviet Union, who is visiting Canada. We shall continue these discussions next week. Other countries are engaged in similar processes. I want this House and the country to know that there is no item on our agenda that is more important than trying to bring about some process of discussion between the parties concerned, in order that we can bring an end to the conflict in Vietnam. That is the objective of all of us.

I believe that a military solution of this problem, of course, is not possible by itself. We are all aware of the dangers that flow from the conflict that has raged in that area. We are dealing with the situation as it is now; we are not dealing with its genesis. We have sought not to emphasize the history of this situation but to try to see if we could not make our position as a mediator more effective by taking the most objective position possible. I think thus far we have succeeded in doing this.

I can tell the House that no opportunity will go by without our making every attempt that we can, by ourselves, as a member of the Commission or in concert with other countries, to try to bring about peace talks. When they do take place, whether by a Geneva conference or as a result of the kind of situation that developed in Greece and Malaysia, namely by gradual process, then we shall address ourselves as one country in the international community to those methods by which we hope to bring about an effective neutralization of the whole area.

The objective that Lord Avon spoke of the other day will not be achieved without, of course, the use and support of the international community, through the United Nations or otherwise. I resume my seat after saying that this undoubtedly is one of the most serious situations the world faces. It is not a conflict in which we are engaged. It is not a conflict in which we have any intention of dispatching Canadian armed forces. This, we continue to repeat, would be inconsistent with our role on the International Control Commission



just as Her Majesty's Government in the United Kingdom yesterday said that it would be improper for Britain to send forces to Vietnam because of her role as one of the Co-Chairmen of the Geneva Conference powers....

We have done everything we know, with our friends, to put forward our point of view. We have done so as a result of the accommodation extended our representative, Mr. Ronning, in Hanoi. We intend to respect the nature of the conversations that have taken place there and elsewhere, in the hope that we might be able, as a result of this instrument, to bring about the beginnings of peace in Vietnam. If we do not succeed, it will not be because Canada has not tried. We are not wedded to this method alone. If there is some other way by which peace negotiations can be begun, we shall support it. But I want this House to know that we are not weakening in our effort to try to bring peace in Vietnam.

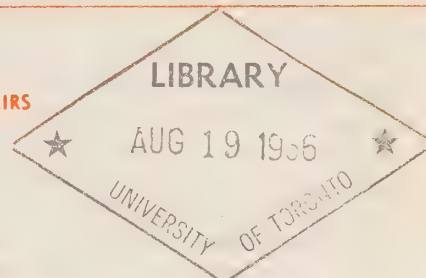
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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/30

### THE PREVENTION OF NUCLEAR PROLIFERATION

An Address by the Right Honourable L.B. Pearson,  
Prime Minister of Canada, to the International  
Assembly on Nuclear Weapons, Scarborough, Ontario,  
June 25, 1966.

... During these last few days you have been discussing the broad topic of "nuclear proliferation" -- the dangers arising from the threat of the further spread of nuclear weapons. Tonight, for a few moments, I venture to place before you, briefly and, of course, in an oversimplified way, my views on these dangers and on possible measures at least to reduce them. I have no particular qualifications to undertake this task except that I am Prime Minister and as such I have available the views of all the experts in the Canadian Government service.

My only personal qualification would be that I have been associated in one form or another with disarmament conferences since I first went to the first Geneva Disarmament Conference in the early 30s as a very junior secretary in the Canadian delegation. At that time, with junior secretaries from other delegations, we had the answer to all the questions. We often used to meet for dinner after the day's sessions, at a café in Geneva, the Bavaria, where we exchanged views on the follies and misdemeanours of our elder delegates, and how, if we were only given the chance, we could have solved all these matters. I remember one night when we had been sitting during the day in a committee where our seniors had been arguing as to what constituted an offensive weapon and a defensive weapon in connection with naval disarmament -- if a gun was 8.4" calibre, it was offensive and, if it was 7.2", it was defensive. We agreed that this was all pretty silly and that the answer to this particular question was a simple one that could have been discovered within 15 minutes of the opening of the meeting -- namely, that the offensiveness or defensiveness of a weapon depended on whether you were in front of it or behind it. There was nothing else to be said about it.

So I was much more of an expert in those days than I am now. Each year, I confess, I find it more difficult to be sure that one has any of the answers to any of the aspects of this problem of disarmament.



In recent years, as you know, arms-control proposals have foundered on the reef of what is judged to be the national interest, without, I believe, sufficient weight being given by governments to their broader responsibility to the international community as a whole. Yet when the destructive capacity of nuclear weapons makes national interest coincide with international responsibility, surely it is the common national objective of all peoples and governments to remove the possibility that these weapons will ever be used. There is nothing exclusively international about this. It is a national matter.

There is no need for me to dwell, with an audience like this, on the fantastic and frightening development of military power since the end of the Second World War. By the early sixties, however, this development, fortunately for us all, had resulted in a relatively stable, if uneasy, balance of nuclear strength between the United States and the Soviet Union, a balance based on the ability of each to destroy the other regardless of how or where the first attack was launched, a balance of shared capacity for mutual annihilation. The knowledge that rash action by either one which threatened the vital interests of the other might lead to a nuclear exchange fatal to both has, up to the present, deterred both sides from pushing any such action to a showdown. The sobering realities of this power balance were starkly revealed in the Cuban crisis of 1962, when the escape from a "showdown" showed how close we were to it.

One result of the reaction to that particular confrontation may well have been the subsequent agreement between Washington, Moscow and London on a partial nuclear-test ban. A short time later, the great powers were able to agree on a United Nations resolution prohibiting the orbiting in outer space of weapons of mass destruction. Following that, it was agreed to install a direct communication link -- if you like, a radio telephonic axis -- between Washington and Moscow.

These measures were important, since they were the first tangible steps towards arms control after continuous debate and negotiation since 1946. But, beyond their intrinsic importance, I suggest that they were also of importance because they marked a tacit understanding by the two nuclear super-powers to try to avoid direct confrontation which would threaten the outbreak of nuclear war. In this way, both East and West have acknowledged the danger of disrupting the existing power balance. They have attempted to reduce conflicts of interest, even if they have by no means succeeded in eliminating all potentially dangerous situations.

The existence, now, of a détente between East and West even an uneasy one -- does provide us with an opportunity to re-examine afresh the need to control the arms race, to question whether we should continue to devote such a tragically large proportion of human and material resources to the development and improvement of weapons whose use in any circumstances, for any reason, would threaten humanity's very survival.



A thorough reappraisal is particularly appropriate today, when both the major powers face the question of whether or not to take a significant new step in the arms race, whether to produce and to deploy an anti-ballistic missile system. The deployment of such a system would be an enormously costly undertaking, which, in the end, would probably lead, as the ballistic-missile race did, to ever-mounting defence budgets without any permanent increase in national security or international stability.

There are those who will argue that it is not just a question of the two major powers agreeing not to deploy ABM systems in relation to each other. They point to the need for protective measures against the looming threat of Communist China, with its potential nuclear capability. But I suggest that the day when North America or Europe should be genuinely concerned about a nuclear attack by China is still many years in the future. Moreover, it is my view that fear of possible ultimate developments should not deter us from a course of action which offers promise of substantial benefits in the immediate future. If the result of the kind of re-assessment I have mentioned were a tacit understanding by the U.S. and U.S.S.R. to refrain from the development of ABM systems - and so prevent a new dimension of escalation of the arms race - the dividends in terms of reduced tension and enhanced international stability would place us all in a much better position to examine the vital political issues which still divide us and which so largely determine our prospects for reducing armaments. Furthermore, to drop the development of ABM systems would remove a major reason announced for continuing underground testing, about which I shall have something to say a little later.

We accept the inevitability of change in international relations and institutions. The world does not stand still. So any balance of power which now exists is not permanently assured. The elements of the nuclear equation do not remain constant. New factors emerge and old ones change. The major powers are continually refining and improving (I apologize for the use of these two words) their nuclear weapons. Within the present decade, two additional nations have emerged as nuclear powers. Other potential candidates are now weighing the advantages and the disadvantages of joining the nuclear club. Moreover, the number of states capable of developing their own nuclear weapons is constantly increasing; my own country could manufacture them without too much difficulty any time it desired to do so. We now face - not as an academic problem but in a very real and urgent form - the dangers of proliferation. These dangers are upon us. Surely the further spread of nuclear weapons will increase the risk of nuclear war and the insecurity of all nations. It could add a new and threatening factor to historical, ethnic and territorial disputes existing between nations. A decision by one country to acquire nuclear weapons would almost certainly generate strong pressure on others to take similar action. International relations would thereby be made more complicated and more dangerous. Agreements on arms-control measures would become more difficult to achieve and any prospect of progress in this field would recede into the far distance. Moreover, there would be a greater risk of nuclear war breaking out as a result of human error flowing from defective control arrangements or through the action of irresponsible elements into whose hands - and there would be more of these hands - the weapons might fall.

I understand that your discussions have indicated that further nuclear proliferation is likely to occur in countries faced with a conventional or nuclear threat but lacking the protection and security afforded by membership in a nuclear alliance. In such circumstances, certain non-aligned countries might be persuaded to create a nuclear arsenal in the vain hope of improving their national security -- or in anticipation of a similar development by a hostile neighbour -- or in order to enhance their national prestige and their international influence.

The prevention of such nuclear proliferation is important and urgent. In his annual report for 1965 - no doubt reference has been made to this in your discussions - the UN Secretary-General describes this as "the most urgent question of the present time, which should remain at the very top of the disarmament agenda". President Johnson has made it clear that a central place in his Administration's policy is the effort to control, to reduce and ultimately to eliminate modern engines of nuclear destruction, to act now to prevent nuclear spread, to halt the nuclear arms race and to reduce nuclear stocks.

In his message to the ENDC of last February 1, Chairman Kosygin said: "If we do not put an end to the proliferation in the world of nuclear weapons, the threat of the unleashing of nuclear war will be increased many times." Unfortunately, all the potential nuclear powers have not taken such an unequivocal stand.

The issues involved in this matter are so complex that no single measure is likely to provide a solution. Where consideration of national security and international prestige are closely intertwined, answers must be sought in several directions if we are to succeed in preventing nuclear proliferation. Measures proposed will need to take into account the factors motivating countries to seek nuclear weapons and to make provision for appropriate dis-incentives. Obviously, too, we must concentrate on those countries capable of achieving nuclear status not in the more remote future but over the next decade and there are many of them.

The discussions at present going on - perhaps I should say dragging on - at the Eighteen-Nation Disarmament Committee for an international treaty to limit the spread of nuclear weapons make little progress, despite the urgency of the matter. The time used for argument on general principles will have been wasted unless it results eventually in an instrument linking both the nuclear and non-nuclear countries. These discussions - and there are men here, I know, who have participated constructively in them - have revealed the existence of two different types of problems. The first is the question of multilateral nuclear-sharing. This has its origin in the desire of non-nuclear members of NATO, for instance, for a voice in the planning and management of the nuclear forces on which they feel their own security so largely depends. The discussion here has made plain the importance of a clear and precise definition of proliferation. What exactly does it mean?



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On this issue, we in Canada stand on the principles embodied in the Irish resolution adopted by an overwhelming majority at the General Assembly in 1961. We are convinced that proliferation would not occur under the terms of a treaty which required that the present nuclear powers must always retain full control of their nuclear weapons. Perhaps such a treaty, however, should prohibit, clearly and specifically, the transfer of such control to states, groups of states or other entities, requiring that the present nuclear states must at all times maintain the power of veto over deployment and firing of such nuclear weapons.

The nuclear-sharing issue is, of course, closely connected with a second and broader question, that of European security -- which, in its turn, is concerned with the settlement of important political questions on that continent.

While much of the present lack of progress in efforts to prevent nuclear proliferation derives from difficulties about nuclear-sharing and European security, it still seems to me that, in the long run, these questions may prove less intractable than the other problem which I have just mentioned, of the national development of nuclear weapons by states with the technical skill, resources, and industrial base which could enable them to produce such weapons, and who may feel that this is necessary for security reasons.

Your discussions here have shown that, for the non-aligned countries, security assurances to prevent this development raise complex issues affecting their non-aligned status, their relations with the great powers and with their immediate neighbours. In India, for example, which is confronted by a hostile China, these issues are particularly acute and have recently given rise to considerable public discussion. Within the last few weeks, the Foreign Minister of India stated in the Indian Parliament that, if the nuclear powers wished a non-proliferation treaty, they must be prepared themselves to make some sacrifices. Among other things, he went on to recount the merits of a multilateral international guarantee to reassure the non-nuclear countries against nuclear blackmail.

Security assurances of this kind raise important issues, of course, for the nuclear powers. These powers already have commitments to their allies and the acceptance of new commitments might tend to strain their military resources and complicate their political relations with other nuclear powers as well as with rivals of countries to whom a guarantee was extended. While the great powers might be prepared to accept responsibilities commensurate with their status, there are, of course, limits to the responsibilities they can be expected to undertake in this and related fields.

Much attention has been given recently to this whole question of providing the non-aligned countries with adequate assurances about security, which, at the same time, might help to dissuade them from developing their own nuclear weapons. President Johnson made a constructive contribution when he declared, in 1964, that "nations not following the nuclear path will have our strong support against



threats of nuclear blackmail". At the last session of the United Nations General Assembly, U.S. delegates suggested that such assurances might take the form of an Assembly resolution.

More recently, Chairman Kosygin has proposed a type of indirect assurance under which the nuclear powers would undertake not to use nuclear weapons against non-nuclear countries which do not have nuclear weapons on their territory. While this proposal has certain attractions, we must recognize the difficulty in establishing as a fact whether nuclear weapons are present in certain areas or not.

A United Nations resolution signifying the intention of members to provide or support assistance to non-nuclear states subject to nuclear attack, or threats of such attack, might provide a form of useful collective assurance in no way incompatible with other and more direct arrangements. Perhaps we should explore this possibility.

Mention should be made of another difficult question, that of safeguards. Over the past decade, considerable progress has been made in elaborating the concept and in developing the practical application of the means of preventing nuclear materials which are supplied for peaceful purposes from being diverted to the manufacture of weapons. As a major uranium exporter committed to supplying nuclear materials only for peaceful purposes, Canada will continue to support strongly steps to bring about general acceptance of international safeguards because they must be general, either under the system developed by the International Atomic Energy Agency or through equivalent arrangements of an organization such as Euratom. In the common effort to contain the nuclear threat, we regard safeguards as one of the important instruments which the international community has at its disposal.

Canada has participated actively in the working out of the IAEA safeguards system. Only a few days ago, we demonstrated again our support for and confidence in that system, in respect to our agreement with Japan for co-operation in the peaceful uses of atomic energy. We have signed an agreement in Vienna under which the International Atomic Energy Agency assumes the responsibility for administering the safeguards incorporated in the Japan-Canada Agreement.

If a non-proliferation treaty is to be effective, to inspire confidence, and to endure, it will also require some means of verifying that the obligations undertaken by the signatories are being carried out. This should include a provision to ensure that peaceful nuclear activities and materials are not being used clandestinely for military purposes.

If safeguards are to be acceptable and effective, they must be applicable to all states. These recognized systems of safeguards, which are already applied by many countries to transactions, my own country among them, involving transfers of nuclear materials for peaceful purposes, should be applied to cover all international



transfers. In this way, an important step forward would be taken to prevent the development of nuclear weapons by additional countries. We in Canada support the inclusion in any treaty of a provision designed to achieve this objective.

I have suggested that the production of nuclear weapons by non-aligned countries would serve neither their individual national interest nor their collective responsibility to the international community. I think that is true, but I also suggest that it is unreasonable to expect such non-aligned countries to renounce in perpetuity modern methods of defence if the nuclear powers themselves are not prepared to accept some restraints and parallel obligations -- such as the extension of the nuclear-test ban to underground testing. Such a comprehensive test ban would help to prevent the indigenous development and hence the further spread of nuclear weapons. At the same time, it would meet some of the objections of the non-aligned to what they suggest are the one-sided commitments they are being asked to make. Moreover, the political and psychological benefits likely to flow from such an agreement would help create the atmosphere in which it would be possible to make progress on further steps towards arms control.

In order to ensure that it would not be clandestinely violated, however, a comprehensive test-ban treaty must make provision for adequate verification machinery. We must never lose sight of the importance of verification in agreements which effect the essentials of international security and stability.

There is one further question - that of nuclear-free zones. Negotiations are going on for the establishment of a nuclear-free zone in Latin America. Heads of African states have decided that Africa should be free of nuclear weapons. Again, one of the major stumbling-blocks, however, is a narrow conception of national interest. In this connection, it is well to remember that, in 1959, countries with interests in the continent of Antarctica - both nuclear and non-nuclear states - were able to reconcile their differing viewpoints and to conclude a treaty which among other things established the continent of Antarctica as a nuclear-free zone and laid down procedures whereby treaty obligations could be effectively verified in this connection. This required some surrender of immediate national interest in favour of a broader collective responsibility to the international community. I should hope that in such areas as Latin America and Africa, and perhaps eventually the Middle East, the Far East, Europe, the Arctic and other regions where political factors are admittedly far more complex than those obtaining in Antarctica, we shall also see immediate national interest subordinated to the wider but also national interest of stability and peace. All nations should encourage the countries that are now actively engaged in working out arrangements for nuclear-free zones. Should one be successfully established in a populated area, we shall have an important precedent and a model for further arrangements of this kind which would contribute to preventing the spread of nuclear weapons.

I have already mentioned the emergence of China as a nuclear power and as a new factor in the nuclear equation. The Chinese leaders on the mainland appear bent on achieving an effective military nuclear capability, however long it takes and however much



it may cost. To those seeking a peaceful world order, this prospect can only be viewed with deep concern. Yet so long as China remains outside existing international councils, isolating herself from the influence of other governments and world opinion, she is the more likely to remain a recalcitrant and disturbing factor in the world balance of power. You can draw your own conclusions from that.

It is clear that progress towards the peaceful settlement of disputes and effective measures of arms control require that all the principal world powers -- including continental China -- must be party to international discussions of these questions. Therefore, we should do everything possible to bring China into discussions about disarmament and other great international issues. At least let us not be responsible for her not coming in. Her inclusion may make her more conscious of her responsibilities as a member of the international community. In this endeavour, those who already have direct contact with Peking have a special and important role to play.

I have spoken tonight of some of the realistic and, I believe, acceptable measures that could help to solve the problems you have been discussing, the problem especially of proliferation. Any, or all of them, could be incorporated in an eventual non-proliferation treaty, or associated with such a treaty, or indeed agreed upon independently.

Agreed upon in any context, these measures would at least constitute some restraint on the spread of nuclear weapons. They would focus world interest on the fact that the world community is trying to find the answer to this vital life-or-death question; they would reassure a world fearful of nuclear devastation that the world family has at least begun to accept its collective responsibility for limiting a further spread of these weapons which, left unchecked, will one day destroy our civilization.

Surely mankind, in 1966, is capable of giving at the least these indications that our civilization is not only worth saving but also capable of doing what is so desperately wanted in the hearts of all men, the preservation of true peace and the establishment of real security.

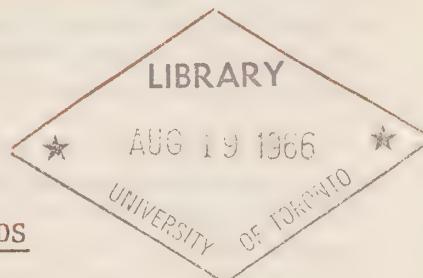


# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA



No. 66/31

## CANADA, FRANCE AND WORLD TRENDS

Address by the Secretary of State for External Affairs, the Honourable Paul Martin, at the Annual United Nations Seminar at the University of Western Ontario, June 27, 1966.

I should like to thank you, Mr. Chairman, for your invitation to speak at this annual Seminar and to extend my best wishes to the high-school students who have assembled here from various parts of Western Ontario.

You are concluding your year's work by far-reaching discussions of world affairs. The subjects under review here - the United Nations, Canada's role in that organization and in world affairs generally and, this year in particular, France and its place in the world - would require several speeches if I were to cover them all carefully.

I have chosen, however, to speak about Canada, France and some world trends in order to comment on some current developments of particular interest and to suggest ways of linking the various subjects you have been studying.

### Canadian Role in World Affairs

The foreign policy of any country and the extent of its activity in world affairs are determined partly by the inescapable conditions of its very existence and partly by the free choice of certain relations and by the decisions made in response to particular international developments and in response to the wishes and interests of its people.

Considering Canada's political origins, location, economic necessities and bilingual and bicultural character, we might say that the absolute minimum of external activity for us would involve relations with Britain, the United States and France and promotion of trade and immigration, even where we have no additional interests.

In fact, our activity in world affairs has gone far beyond that minimum. Whether one considers membership in organizations, range of diplomatic relations, trade and other economic activity, scale of participation in wars or contribution to initiatives towards peace, it is obvious that Canada has chosen a significantly active role.



It is true that some of these activities are now what one might call normal for a developed nation in an increasingly interdependent world. I believe, however, that, over and above any trend of the times, we have chosen as an essential ingredient in an independent foreign policy a considerable degree of activity directed towards the creation of a more stable, peaceful and prosperous world.

This aspect of our policies has been particularly apparent in our commitment to peace-keeping activities in the United Nations and in our strong support for the survival of a multi-racial Commonwealth, in our contribution to the founding of NATO and our emphasis on the possibility that it might provide the foundation of an eventual transatlantic association which would lead to political and economic co-operation as well as defence co-operation. We could not expect to make a decisive intervention in world problems alone, but we believed that a strong effort in company with others at the appropriate times would both give expression to our Canadian views and would serve the interests of the world community.

We have referred increasingly to our "middle-power" role. It is not easy to divide nations into categories in these terms. It is not easy to define the ingredients, military, political or economic, which make up "power" or diplomatic effectiveness in international affairs. Nevertheless, it is clear that Canada has in a moderate degree some of the attributes which have always supported international activity and these, combined with traditional or newly-acquired associations and with a strong belief in the efficacy of collective action, have enabled us to play a constructive part in world affairs.

#### World Trends

Our contribution in this area was, until fairly recently, made against a background of a relatively fixed relation among the super-powers and great powers. The United Nations could do little with respect to the central problems at issue between the blocs which emerged as the result of the power relation and clash of ideologies after the Second World War.

The United Nations did, however, react to this situation by attempting to overcome, to some extent, the inability of the Security Council, composed of the great powers, to act as it was supposed to do under the Charter. The greater role of the General Assembly in peace keeping, for example, and the personal initiatives of the Secretary-General were responses to the desire of the majority of members to act for peace. Canada made its contribution, along with other medium powers, in situations in which the great powers could not act.

General international conditions have, however, begun to change in the past few years in the direction of what many commentators call "polycentrism" or the growth of more centres of power, influence and political initiative in world affairs. The process is a complex one and I shall only remind you of some of the contributing factors.

In the early 1960s, most of the remaining colonies in the world became independent and it became clear that the new and unaligned nations were not going to choose either "East" or "West" in the ideological sense.

The full reality of the nuclear stalemate between the super-powers, as it affected localized clashes of interest, became apparent in the Cuba crisis in 1962. The necessity which was subsequently recognized of pursuing a safer course towards some accommodation of interests led to the partial test-ban treaty of 1963 and related agreements. The Sino-Soviet dispute and the manifestations within the Communist nations closely associated with the Soviet Union of a slightly more independent course in domestic and external affairs have changed the situation to some extent within the Communist world. These developments have, of course, scarcely altered the fundamental political coherence and unity of action within either the Soviet or the Chinese sectors of world Communism.

The members of NATO are genuinely sovereign states accustomed to stating different points of view within the general framework of the alliance which they have created to serve common interests. The changes in world relations are leading to reassessments on their part of the role and structure of the alliance.

In general, it may be said that, as a result of these world trends, there are separate and continuing debates going on in different spheres about the advantages of collective action or of individual assertions of interest or initiatives. We are too much involved in these questions to pass judgments; we can only ask some questions. Is the restiveness among some nations a sign of recurring nationalism or of desire to work towards new alignments or new arrangements within groups to correspond to changing world situations? Can we distinguish in practical terms between the different types of motivation for regional and other collective arrangements that have grown up in the past 20 years - immediate defence needs, long-term advantages of pooling some resources and efforts, the trend towards supranational organization, the search for world collective security?

#### France

At this point, I turn to the second of the two nations with which you have been particularly concerned in the Seminar, and which happens to be our second mother country. French attitudes towards world problems, including questions of the type I have mentioned, have been of particular interest to other nations.

France has long held, and still holds in many respects, the position of a great power, closely influencing the course of events in Europe and in other continents. It has been one of the great colonial powers, and the nations in Africa and elsewhere which were French colonies retain very close economic and cultural links with France and have close political contacts. As a Permanent Member of the Security Council, for example, and as one of the four Occupying Powers in Berlin, France has been at the centre of the major developments in world affairs and in European developments following the conclusion of the Second World War. As a founding member of NATO, occupying a central position in Western European security arrangements, and as a major force in Western European economic co-operation, France has helped greatly to lead that continent back to security and prosperity.



In recent years, the settlement of the Algerian conflict, the impressive advances shown by the French economy and the achievement of greater political stability, with the great energy and patriotism of President De Gaulle, have led France to take a particularly active role internationally. It has extended and deepened its relations with other parts of the world, contributed greatly to the economic development of its former African and other colonies and, in seeking to develop more normal relations with East European states, has paid particular attention to the problem of how to end fundamental tensions threatening world peace.

#### Relations Between Canada and France

Canada has made a particular effort since the beginning of 1964 to strengthen and extend its traditionally friendly relation with France. We have done so for a number of reasons, and I should like to emphasize the range of our initiatives to avoid giving any impression that I am speaking only of cultural or linguistic matters or the naturally close connection between French-Canadians and France.

Our efforts to develop the relation more fully in a number of fields began with the visit which the Prime Minister and I made to France in January 1964. I can testify not only to the cordiality with which we were received but also that our desire to co-operate and build new bridges between Canada and France was sincerely and warmly reciprocated by President de Gaulle and by authorities at all levels. That this desire remains strong is regularly manifested to us in our daily contacts with French officials.

It is, of course, a fact of Canadian history that French-speaking Canadians have always had a particularly close relation with France, arising from traditions, language and culture. In recent years we have realized the need to have Government policies reflect more adequately than in the past the bilingual and bicultural nature of our country. The impulse given by what we have come to call the "quiet revolution" in Quebec has played its part in this process. In addition, English-speaking Canadians have, I believe, come to understand the value to Canada as a whole of developing and maintaining permanently a broad association with France as an integral part of our national heritage, comparable to the special ties with Britain, the Commonwealth and the United States, from which we have drawn benefits for so many years.

I should like to mention some specific manifestations of this deepening relation. Last year we entered into the first general cultural agreement with France. The agreement is intended to develop cultural, scientific and artistic exchanges between our two countries and to promote the teaching and use of French. Under this agreement, several important projects have already been undertaken. The Toronto Symphony has visited France, and the Théâtre de l'Egrégore of Montreal has gone to France and Switzerland. One hundred scholarships have been given to French students to study in Canadian universities and about a similar number have been given by France to Canadian students. French teachers in increasing numbers have come to Canada at the invitation of our universities.

In the economic field you will have noted the reports in the press in recent days about the Canadian economic mission in France. This mission, led by the Minister of Industry and Defence Production, Mr. Drury, and comprising a number

of Canada's leading business personalities, has been making high-level contacts with French businessmen and studying ways of increasing the flow of trade, investment and technology between our two countries. The work of this mission is complemented by that of the Franco-Canadian Economic Committee, which met in Ottawa last autumn and is to meet again this year to develop means of increasing economic co-operation between our two countries, both bilaterally and on the international level.

One subject discussed by the economic committee was the possibility of co-operation in providing assistance to French-speaking less-developed countries. Though still on a modest scale compared to our aid to Commonwealth countries, our economic assistance to these countries has in recent years been expanded through the establishment of a special programme of assistance to the 21 countries of Africa that use French as their official or as a second language. Our diplomatic representation in that part of the world is being further extended this year by the opening of embassies in Dakar and Tunis.

In France itself, of course, we opened, in 1965 and 1964, Consulates-General in Bordeaux and Marseille which are contributing to the development of Canada's connections with the important regions which these cities represent.

Last autumn, French and Canadian parliamentarians, wishing to make a contribution of their own to the growing number of contacts between our two countries, met in Ottawa to found the Canada-France Inter-parliamentary Association. The Association had its first regular meeting in Paris a few weeks ago, and will meet alternately in the two capitals each year. As in the case of the Canada-U.S. Inter-parliamentary Group, and of the Commonwealth Parliamentary Association (Canada has been a member of both these bodies for several years), the activities of the new Canada-France Association aim essentially at developing between parliamentarians of the two countries a mutual understanding of each other's preoccupations and activities.

Canadian and French diplomats constantly consult in their common search to find just and effective solutions to the problems which burden today's world. The French Foreign Minister and I have made a practice, since the Prime Minister's visit to France, of meeting twice yearly to discuss not only bilateral questions but also those of worldwide importance; we met once again at the beginning of June in Brussels, before the NATO ministerial meeting. We now look forward to meeting next time in Ottawa, in September, when we shall have the pleasure of welcoming M. Couve de Murville to Canada.

I regard the continued development of our relations with France and other French-speaking countries as of vital importance for Canada at this stage of our national development. Internally, this process, if successfully carried out, should consolidate our national unity and help to define our sense of purpose as a country.

The strengthening of our relation with France is also an eminently desirable part of our active international role as a middle power. It should reinforce our position in the world by creating new channels for our influence, favourable opportunities for trade and more extensive contacts from which to improve our understanding of world trends. With a double heritage from two great civilizations, Canada has many opportunities in relations with countries which share this heritage in one form or another to play a useful role.



The value of this role may be perceived, for instance, in the fact that these two communities now include dozens of newly-independent countries, which are in the process of developing their political and economic institutions and their relations with the outside world. Our economic assistance programmes in both French-speaking and Commonwealth African nations provide one good example of this role.

The relation with France is particularly important at present. France has become very active internationally at a time when some of the familiar aspects of the world political landscape are changing significantly. France has become the proponent of certain views about the possibilities of détente, about the necessities for changes in relations between blocs, about the relations between the United States and Europe and about arrangements within NATO.

The Canadian Government has regretted the French Government's withdrawal from the integrated military structure within NATO. We should have preferred that there be consideration of proposals for reorganization and reassessment of objectives in the NATO Council rather than the unilateral decision France has taken. We believe there is a continuing need for the integrated military structure of NATO, while Soviet positions remain unchanged and their forces in Eastern Europe become stronger than ever. At the same time, notwithstanding France's withdrawal from NATO's military organization, we believe every encouragement should be given to their stated intention to remain in the alliance.

At the meeting of the NATO Ministerial Council early in June, Canada made a particular effort to help preserve the unity of the alliance, and I believe that its continuing value and resilience were demonstrated. We hope that co-operative military arrangements can be worked out between France and the 14 nations that have decided to maintain the integrated military structure. We hope that the unity of the alliance with respect to its ultimate political task of facilitating a European settlement can be fully assured.

With the attention of the world focussed on the visit of President de Gaulle to the Soviet Union, I think that one of our greatest hopes would be that the additional understanding of Soviet viewpoints and of the prospects for improved relations derived by the French President from this visit will help to illuminate the path towards a reconciliation of the two halves of Europe.

The balance between individual initiatives and co-ordinated effort in international affairs at present is not always easy to maintain. It is the purpose of the alliance to furnish an opportunity for consultation so that policies may be co-ordinated with the hope of achieving agreed goals. This is not to suggest that the contributions individual nations could best make to world peace should be limited or tied to the judgment of others. It is rather to say that members of an alliance owe it to the collective purpose of the alliance and to their partners to consult together regarding the object of their national endeavours. We hope that France will regard this consultation as part and parcel of its continuing participation in the alliance....

I have outlined in general terms some of the considerations about world affairs and about the roles of Canada and France in the world which are relevant to various themes in your seminar. I have pointed to a heritage shared by Canada and France to which we are paying renewed attention. What I should like to emphasize in concluding, however, is not the unique connections between our two countries but the common tasks which they share with others.

President de Gaulle has, in keeping with the noblest French traditions of liberty and a cosmopolitan culture, shown the most profound and realistic concern for a restoration of Europe as a whole with the barriers dropped and the individual nations and cultures engaged in normal contacts and exchanges. We share this concern. Canada is, after all, the heir not only of traditions derived from its British and French origins. It is, in a different manner and in a most significant way, also the heir of cultures representing almost every region of Europe. And so is its neighbour the United States.

We have been deeply involved in European affairs and have given the most specific commitment to the maintenance of security in that continent which a nation can give. We want nothing more than to work with France, with Britain, with the United States and with all the other nations concerned to end the division of Europe and so take a great step towards lasting peace in the world.

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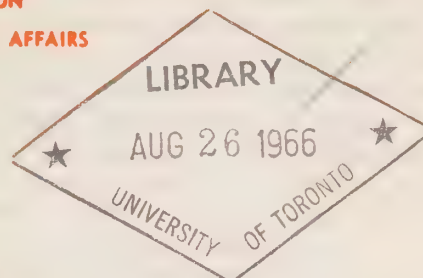


# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA



No. 66/32

## AID POLICIES AND PROGRAMMES

An Address by the Secretary of State for External Affairs, the Honourable Paul Martin, on July 20, 1966, to the Ministerial Meeting of the Development Assistance Committee in Washington, D.C.

First, Mr. Chairman, I should like to congratulate you on your report, which once again provides us with objective comments on the merits and shortcomings of our collective aid effort. You have also given us guide-lines that will be useful in pursuing the fundamental aid objectives that are the subject of today's discussion.

We meet in new surroundings, having accepted the invitation of the Government of the U.S.A. to conduct this year's deliberations in Washington, D.C. We welcomed this invitation as providing an opportunity to pay tribute to the generosity and leadership of the Government and people of the U.S.A. in the collective effort to promote economic development and ameliorate the lot of the developing countries. Our presence here also suggests the extent to which we necessarily look to the U.S.A. in the future expansion of this effort and in evolving new and imaginative measures for dealing with problems of development, old and new.

I take great pleasure in welcoming to this ministerial meeting a fellow Commonwealth member, Australia, a country which was seated with us at the founding conference of the Colombo Plan. It is encouraging to see the growth of this circle of nations committed to increase and improve their aid through the process of consultation and co-ordination.

The performance - both individually and collectively - of our group has over the past five years or so provided overwhelming evidence of our determination to play our full role in bridging the gap between rich and poor countries. As the minister responsible in my own country for the conduct of both foreign and aid policies, I am reminded every day that aid not only plays a crucial role in the complex process of economic development but is also a major factor in relations between nations. For this reason, I am today profoundly disturbed by apparent stagnation in our collective efforts to mobilize greater aid resources and put them to effective use. Without a renewal of the upward trend in this effort, there is little chance that we shall succeed in establishing the foundation of lasting peace and stability in the world. This is the opportunity and challenge of today's meeting.



During our deliberations, we have an opportunity to make an objective, and, I should hope, a critical, review of our aid policies and programmes. I have come to this meeting with the conviction that such an appraisal should not be conducted against a narrow background of progress achieved over the past year or so in specific sectors. Rather, it is essential, in my view, that we measure the adequacy of our effort against the general background of the long-term position and requirements of developing regions of the world and of our common ability and determination to meet those requirements over a period of time.

If we look at the situation now facing us, we cannot but be struck by certain disquieting facts. In spite of the 5 percent growth target of the UN Development Decade, it has not been achieved to date and average growth rates are, in fact, lower than in the 1950s. In spite of international concern about the growing debt burden, debt-servicing liabilities are now as high as \$35 billion, and continue to increase. In spite of our common objectives to raise living standards, there are some 40 developing countries where, because of population growth, per capita income has been increasing by only 1 per cent or less a year. In spite of our desire to build a healthier world, we find, as we shall be discussing later, that nutritional standards have even been going down in some countries and that many are unable to feed themselves. I should not suggest that aid by itself can hope to provide answers to these problems of continuing under-development. I should say, however, that the volume of our assistance should at all times be measured against the ability of the developing world to use more aid, and that terms of our assistance should correspond to the economic realities of the developing world.

In short, I should subscribe to your view, Mr. Chairman, that, while our record for 1965 represents no small achievement, it offers no basis for complacency. There are unfortunate indications that, while some donor countries are moving rapidly towards higher levels of aid, other member countries which in earlier days could rightly be considered as pace-setters in foreign aid seem now to be satisfied with maintaining their aid at current levels. As a result, the total flow of official aid resources has not really left the plateau it has maintained in recent years. Yet it would seem that international circumstances have never been more propitious for a significantly larger and improved aid effort. Developing countries have proved that they are capable of absorbing more aid more rapidly; there are promising new channels, as well as expanded facilities placed at our disposal by long-established institutions, through which additional development assistance can be offered. Finally, we now have available to us a considerable body of knowledge on the complex ingredients of economic development and also new and comprehensive patterns of co-ordination in the field of development assistance which permit us to offer to our respective parliaments positive evidence that larger aid-flows can be effectively used.

The Canadian Government has, for its part, engaged, over the past year, in an extensive review of its aid policies and the needs of the developing world, in the light of the considerations which I have just outlined in broad terms. As a result, a number of decisions have been taken which will affect significantly the future of our programmes.

One of the major needs of developing countries is, of course, for more assistance. The total amount available from Canada during the current fiscal year will be about \$300 million. Appropriations for outright grants and long-term, low-interest-rate loans alone stand this year at \$220 million, having increased, on the average, by \$50 million a year since 1963-64. Subject to economic and other relevant circumstances, we expect the Canadian programme to continue to expand and we are thus making good progress toward the aid target of 1 per cent of the national income established by the first UNCTAD....

In our assessment, the needs of developing countries for aid on appropriately "soft" terms remain one of the essential problems. The Canadian Government has, therefore, decided to make further adjustments in the terms on which Canadian development assistance is to be made available. To "soften" further our long-term, interest-free loans, the Canadian Government has decided to abolish the service charge of  $\frac{3}{4}$  of 1 per cent. This will mean that the bulk of Canadian development lending will be interest-free at 50-year maturities and ten-year grace periods. There are, of course, certain countries which can accept harder terms, and it has been decided to introduce an intermediate lending facility under which we would, in these few cases, be able to lend on 30-year terms, including a seven-year grace period and an interest rate of 3 per cent per annum. These intermediate loans would be used only in cases justified by the current and prospective economic and balance-of-payments situation of the recipient.

In mentioning the need for appropriate terms of aid, I should also point to the Canadian view that more is required to achieve harmonization of terms so that donors can pursue similar lending policies in specific cases. There is accumulating evidence that the terms on which aid is being extended to a number of developing countries, including India and Pakistan, are considerably harder than those which their economic circumstances would demand. As an example, the weighted average interest rate in the consortium for India has climbed from 2.8 per cent to 3.1 per cent. The Canadian average rate of interest in the case of India is below 2 per cent. It is our belief that DAC countries as a group could make more rapid progress in achieving their stated objective of harmonization, particularly within the framework of consortia and consultative groups.

As is the case with other DAC countries, we have also found that the need for local cost financing is becoming more important. Certainly, we have found that the rigid enforcement of the rule under which Canadian bilateral aid must be tied to procurement in Canada has inhibited, in certain cases, the effectiveness of our programme. We have found it desirable, therefore, to introduce an element of flexibility. We do have balance-of-payments problems of a long-term nature. Nevertheless, in appropriate cases, we are now prepared to finance a portion of local costs not exceeding 25 per cent of the Canadian aid commitments to specific projects.

In summary, more aid, on softer terms with better techniques, is required. It is, of course, for each member to determine its share of the collective aid effort and the terms on which its share is extended. We have noticed with regret, as I have mentioned, that the volume of aid provided by certain countries has been decreasing and that terms have been hardening. So far as we in Canada are concerned, however, the terms as well as the volume of our aid will be determined less by what other DAC countries are doing and more by our assessment of the needs of the developing countries.







# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA



No. 66/33

## FOOD PROBLEMS OF THE LESS-DEVELOPED COUNTRIES

Statement by the Secretary of State for External Affairs, the Honourable Paul Martin, on July 21, 1966, at the Meeting in Washington, D.C., of the Development Assistance Committee.

The problems of agricultural production in the developing countries and of the prospective food-gap are extremely difficult and intractable. Their solution will require much more imaginative and vigorous efforts on the part of both developed and developing countries, and I therefore welcome this opportunity to discuss them in the Development Assistance Committee. As a major producer and commercial exporter of foodstuffs, Canada has a vital interest in the relation between future world demand and the supply of food, and also in the implications of the food situation for the economic progress and well-being of the developing countries. The trade aspects are, of course, being discussed elsewhere; in addition, the FAO and the World Food Programme are doing important work on food aid. Nevertheless, the DAC has a distinctive role to play in examining the place of agriculture in economic development and in encouraging adequate responses on the part of both donor and recipient countries. Consequently, Canada can support the draft resolution before us, which sets out the food problems of the developing countries and their implications for assistance policies in donor countries. We are confident that it will serve a useful purpose in focusing attention on a sector which has received insufficient emphasis in the past.

I should like to deal in my remarks with two basic aspects of the problem before us as described in the recommendation -- first, to help the developing countries in the longer run to meet their growing food needs through their own resources, and second, to provide interim food supplies until they are able to do so. The importance of increasing agricultural productivity in the developing countries cannot be overemphasized. It is obvious that the only satisfactory solution lies in helping these countries to acquire the necessary knowledge, technology, resources and will to feed themselves. The Secretariat has performed a useful service in summarizing the task before us. The paper has rightly pointed out the need for effective tools, fertilizers, pesticides and seeds, as well as for related facilities such as the construction of rural roads, the provision of electricity, equipment for irrigation and drainage, and the establishment of suitable marketing arrangements. The members of this Committee can do a great deal to provide the necessary knowledge and what is now referred to in the jargon as "inputs". However, we must



recognize that the most difficult problem may be the human one - how to persuade farmers rooted in tradition to accept new agricultural technologies and motivations.

The main burden of these changes must fall on the developing countries themselves. As donor countries, we must seek to help in every way we can. Technical assistance is a vital ingredient. In Canada, we are actively examining additional ways of increasing and improving our contributions of human resources, and we shall give the highest priority to the request from developing countries for such assistance related to agriculture or fisheries as we are competent to provide. In addition, we have, over the years, provided significant assistance in other forms, such as fertilizers. In the coming years, we are prepared to supply increased amounts of fertilizers to developing countries. To this effect, programmes are being developed that will, we hope, facilitate forward planning by both Canadian industry and the developing countries concerned.

Perhaps I might note two areas in which the useful Secretariat paper might be a little more explicit. There is first the need of a proper balance in the application of agricultural inputs. As the experience of the Indian subcontinent has made clear, there are dangers in seeking to increase irrigation without paying equal attention to the important problem of drainage. Similarly, there is little point in promoting agricultural productivity through the use of fertilizers unless adequate credit and marketing arrangements are available. In short, there is no magical formula for increasing food production; we must ensure that our approach is balanced and realistic. My second comment is about fisheries. The resources of the sea are virtually untapped and I believe that more attention should be devoted to their exploitation. Our own aid programmes have given a high priority to assisting the fishing industry, and we have found that this can yield encouraging returns. Among the benefits has been the improvement of nutritional standards as a result of the enlarged supply of this high-protein food.

The other main aspect of the problem, as I mentioned earlier, is the provision of food supplies on an interim basis. Probably only a few DAC members are in a position to make a large-scale contribution in kind. Other donor countries can, however, play their part through increased contributions of cash or shipping services, either through the World Food Programme or under special arrangements such as were recently made to meet the emergency food needs of India. An excellent example of this type of aid was the British Government's cash contribution earlier this year to help meet the cost of shipping foodstuffs to India. Although Canada makes a cash contribution to the World Food Programme, our main multilateral and bilateral food aid is in the form of foodstuffs, principally wheat, which we supplied in considerable quantities over the years.

This year, Canada mounted an unprecedented food-aid programme, including the provision of one million tons of foodstuffs, largely wheat, to India to help meet the emergency situation there. Every bushel of wheat we have provided may be considered as a lost commercial sale; we have made this effort despite the fact that commercial exports of wheat are a vital element in our balance of payments and in the livelihood of Canadians.

Although food aid is, in one sense, humanitarian relief for the hungry, we also regard it as an integral part of our regular development assistance. By responding to the urgent need for food aid, we are freeing, for purposes more directly related to the economic development process, foreign-exchange resources which would otherwise be used for the purchase of foodstuffs.

It is our present intention to continue this food aid on the basis of grants rather than loans, in order to ensure that the debt-servicing positions of the developing countries are not further strained. In our view, it is necessary to draw a clear distinction between terms of aid and conditions of aid. While keeping our terms liberal, we are anxious to join with others in efforts to ensure that food aid will be used under conditions which will have the maximum impact in improving levels of agricultural productivity in the developing countries.

As Canada expands the size of its bilateral and multilateral aid programmes, more resources will become available for assistance to agriculture and we look to the DAC for increasing help in administering this assistance. The DAC might well serve as a forum for the exchange of ideas and techniques for improvements in the carrying-out of aid programmes in the agricultural sector. Exchanges of views with countries whose experience is greater than our own would be most helpful and would assist us in responding to the aid requests of the developing countries and in suggesting to them how Canadian agricultural assistance might be more effective.

In addition, a co-ordinated approach might be particularly helpful in leading to greater emphasis on self-help in agriculture and the importance of adequate performance by the developing countries. The DAC has done some general work in this field and more may be possible. The IBRD consortia and consultative groups can also play a helpful role. We intend to rely increasingly on these groups to evaluate, on a country-by-country basis, the adequacy of the performance of the local governments, and the most appropriate form and terms for external assistance. The DAC might find it useful to look closely at the role of IBRD groups to see if there are ways to make them even more effective.

Here we are quite properly concerned with official aid programmes, the channel through which the bulk of assistance will have to flow. However, we should not overlook non-governmental groups, which can play a helpful role in complementing these official activities. For example, private industry can make a real contribution, and the FAO is already attempting to co-ordinate and encourage these activities. A most significant recent development has been the action of His Holiness the Pope in setting up the special committee, headed by Cardinal Roy of Canada, to mobilize the Church for an active role in the world's war on hunger. Similar work is being done by other churches and by various secular organizations; the agricultural research work of the Rockefeller Foundation, for example, has been outstanding. In conclusion, I should like to endorse the carefully-drafted words of Paragraph 9 of the recommendation about consultation and co-ordination with other international organizations. Like other governments, we channel a substantial portion of our aid funds to the Specialized Agencies of the UN and to the IDA, and we are anxious to ensure that their efforts to meet food and agricultural problems complement bilateral



activities. We appreciate the need to avoid any impression that the DAC is interfering with their work, but the DAC has a legitimate role to play in assembling information on the related activities of the various bilateral and multilateral programmes. In our view, the words of the recommendation strike the right note and are an excellent example of the unique role which the DAC can play in assisting member governments to make an effective appraisal of important development problems.

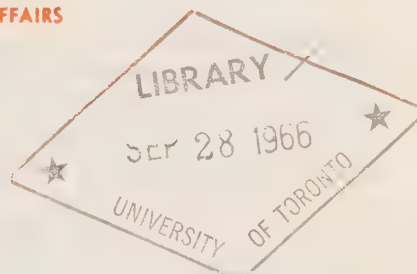
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# STATEMENTS AND SPEECHES

CANADA INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/34

## CANADA'S ASIAN POLICY

A Speech by the Honourable Paul Martin,  
Secretary of State for External Affairs,  
at the Fourth Annual Banff Conference on  
World Affairs, Banff, Alberta, August 26,  
1966.

... I understand that your discussions have centred chiefly around those Asian nations on the Pacific Coast or facing the Pacific. I shall, of course, devote my main attention to that area also. Nevertheless, I should like to define in the broadest terms what correctly should be called Asian policy. It is Asian because it deals with events of this current era, mainly in China and Southeast Asia, which cast their shadow and send their political and economic reverberations across that mighty continent and down to the islands of Australasia.

The extent of Canadian involvement and public interest in Asian affairs, either in the Pacific region or elsewhere, has grown markedly over the years. It is important to remember, however, that official Canadian awareness of the nations over the Pacific, interest in their affairs and involvement in international questions in which the interests of Canada and of Asian and other nations were at issue, has origins early in our history.

I do not need to remind a group with a close interest in Canadian and international affairs of the nature of some of those interests. It is enough to say that Canadian Governments have long been aware of the necessity of formulating some guiding principles for the advancement of Canadian interests in Asia and of following closely the developments there likely to have a significant bearing on our external policies generally.

A short time ago, I read an article by Professor A.R.M. Lower, which dealt with the role played by Loring Christie and Arthur Meighen in persuading the British Government to abandon the Anglo-Japanese Alliance of 1902. In this, one of Canada's first ventures into the waters of the Pacific, the Canadian Government's tightly-reasoned argument prevailed in London and cleared the way for the Washington Conference of 1921-22. In his memorandum to Mr. Meighen, which Professor Lower has brought to light, Christie recognized that the United States might take credit for this major change in British policy, and boast about "assuming the moral leadership of the English-speaking world". Christie curtly dismissed this possibility in the following terms: "Let them. If our



policy is sound from our viewpoint such things cannot injure it.... We can afford to 'take the cash and let the credit go'". 5

The nature of our interest and of our objectives in that part of Asia has changed very considerably in the decades which have elapsed since that time. The search for a sound policy, however, reflecting our conception of our own interests and of world interests and enabling us to bring to bear whatever means we have to influence events there has not been abated, even when our role has not been a major one and our interests have been indirect.

In order to understand the main lines of our current Asian policy it is important to note the various ways in which our involvement in Asian affairs has grown. Our bilateral relations with most of the leading nations and with a number of the other nations have expanded steadily. The change in the nature of the Commonwealth has brought us into closer contact in most fields of interest with several Asian nations. Trade and economic assistance have opened up channels for political contact. We have committed troops to a war in Korea under the United Nations flag and participated in United Nations peace-keeping operations on the borders of India and Pakistan.

Our membership on the International Control Commissions for Vietnam, Laos and Cambodia since 1954 has extended our involvement in Asian affairs beyond bilateral relations and beyond participation in the United Nations operations I have mentioned. We did, of course, accept a task, in effect, on behalf of the world community but under unique political conditions which made it necessary for us to maintain impartiality in Control Commission affairs in a political and military situation of very great complexity and which steadily involved us to a greater extent in judging the clash of interests in Southeast Asia. It is natural at present that definition of an Asian policy for Canada should tend to begin with the Vietnam conflict and the closely-related question of the position of Communist China in the world community, before it goes on to deal with the other considerations which influence our deliberations.

Now that we have a fairly wide involvement in Asian affairs, we can, in order to delineate policy, point to some general characteristics of our relations with nations in that area and to activities and attitudes with respect to the main Asian problems.

When I speak of an Asian policy, I do not, of course, use the term in the old-fashioned and rather grandiloquent sense in which the rulers of empires or leading powers tried to pursue masterly strategies designed to capture the opponents' pieces one by one and move remorselessly, if indirectly, towards a clear-cut objective. No nation, large or small, should have illusions as to the extent to which it can steer events by force, pressure, influence or guile towards desired but hypothetical international goals.

In a more modest and pragmatic sense, we must relate one specific policy objective to another to ensure that we are not working at cross purposes. Beyond that we can only hope that, in addition to stating what our own specific interests are, we shall be able to set forth principles and objectives which will meet with a response from many other nations and which will help to create a consensus leading to effective action by the world community.

I believe that our relations with Asian nations and our attitudes towards the great problems of the day in that area are guided or determined by these principles and objectives:

- (1) We have no reason arising out of geography, previous commitment or military security at present to consider participating in regional security arrangements or regional military action in Asia.
- (2) We recognize, however, that war and revolution in Asia, the partitioning of nations and basic changes in the balance of power since 1939 have created fundamental threats to world peace in Asia. We have, therefore, been willing to assign a high priority to our participation in United Nations operations in Korea and in India-Pakistan and to compliance with the request of the Geneva powers so far as service in the International Control Commissions is concerned.
- (3) We consider that the isolation of Communist China from a large part of normal international relations is dangerous. We are prepared to accept the reality of the victory in mainland China in 1949. In the trade field we have significant contacts of a fairly normal nature. We consider, however, that the effective political independence of Taiwan is a political reality too.
- (4) So far as the situation in Vietnam is concerned, Canada is more likely to contribute to peaceful settlement by its membership on the International Control Commission and by diplomatic assistance in the stages of preliminary negotiation or final settlement at a conference than by any other means.
- (5) In that situation, we believe that ideological conversion by force, either through domestic subversion or foreign infiltration, will lead inexorably to great-power intervention, to the extension of military pacts and to the escalation of risk of a world conflict.
- (6) Economic development cannot by itself end conflict or guarantee peace, but we find it hard to envisage any steady progress towards political stability and peace which is not accompanied by the increasing satisfaction of material needs by the peoples concerned. Our expanding assistance programmes have been undertaken in recognition of this relationship as well as in recognition of other considerations.
- (7) Although we belong to the NATO, or Western, group of nations for historic and security purposes, and although our own political beliefs are clear, we do not consider that these facts should inhibit us from seeking friendly, and often close, relations with nations in other areas. Our membership in a multi-racial Commonwealth, our interest in countries retaining particular connections with French culture, our economic contacts with developing countries and our contacts with Asian countries in the United Nations are all intended to help develop a world community in which there will be no harsh lines of division between regional, racial or economic blocs

(8) Finally, we believe that the events of the last world war, the initial problems of a change from colonial to independent status, revolutionary turmoil and economic problems have delayed the assumption by some leading Asian nations of their proper role in regional and world affairs. We have confidence that Japan, India, Pakistan and Indonesia can, along with China, do much to end abnormal situations in Asia and achieve a better balance of power and political influence in the world generally. We can scarcely speak of Canada being able, by itself, to promote such broad developments to any significant degree. To the extent, however, that this approach can have a bearing on specific policy decisions of our own or can be reflected in joint action, this is our viewpoint.

These are considerations which can usefully be listed to indicate general directions of policy. Their application in any given circumstances cannot, however, be predicted by any hard and fast formulas.

It would be appropriate, therefore, to turn now to some of the specific policies pursued at the moment with respect to central issues of Asian affairs. I propose to make these comments under three headings:

- (1) current policy with respect to recognition of Communist China and UN membership;
- (2) the Vietnam situation;
- (3) the relevance of other developments in our relations with other Asian nations to the chief problems of peace and stability in Asia.

### The Chinese Question

I believe that few subjects cause greater concern at present to Canadians reflecting on foreign affairs than the position of Communist China in the world community. That is one reason why this question is the object of constant review and reappraisal on the part of the Government generally and on my part as Minister of External Affairs.

Canada recognizes the Republic of China, sometimes called Nationalist China. At the United Nations, most recently in November of last year, we voted against a resolution which called for the seating of representatives of the People's Republic of China and for the expulsion of the representatives of the Republic of China. I am aware that there is a substantial body of opinion in this country which disagrees with this policy. I think, however, that those who urge a radically different position on us sometimes neglect the thornier aspects of the problem of China. Alternative policies are, of course, possible; but those who advocate them should explain clearly how they propose to overcome some of the serious difficulties which the choice of those alternatives inevitably entails.

Those, for example, who urge the diplomatic recognition of Communist China must face the uncomfortable fact that the Government of that country demands that it be recognized as something which it patently is not: that is, the Government of the island of Taiwan



Canada would welcome the opportunity to see Communist China take a seat in the United Nations. I said so last fall. In the General Assembly, I said as well:

"... I hope that as events in Asia unfold, it may prove possible in the interests of this organization, and of mankind, to make progress toward what the Secretary-General in his annual report has described as the imperative need for the United Nations to achieve universality of membership as soon as possible."

But how to achieve this is another problem. Here, too, alternative policies are, of course, possible. But they are accompanied by similarly uncomfortable facts.

Those, for example, who would have us vote for the resolution which has until now been presented on this subject must accept the fact that it calls not only for the seating of Communist Chinese representatives but also for the denial of any status in the United Nations to representatives of over 12 million people on the island of Taiwan. Those who wish to be realistic and would give formal consecration to what they see as a situation of fact, by promoting a so-called "two Chinas" solution to this dilemma, must face the fact that it is no realistic solution at all so long as both governments which lay claim to China reject it indignantly.

In view of the dilemmas I have noted, therefore, we have been forced to the conclusion that, until now, no acceptable means of bringing Communist China into the United Nations has been offered or, indeed, has seemed possible. The Canadian Government has long advocated and striven to encourage the establishment of mutually beneficial contacts between Communist China and Canada, as well as with the rest of the international community. It has not so far seen it possible to establish relations of diplomatic recognition with the government of that country. At this particular juncture I cannot say what the immediate future holds. The matter is, however, very much on our minds.

The weighing of alternatives on these questions must continue and informed public debate on them is to be welcomed. But, while such study and discussion goes on, we still continue to take those practical steps which are possible to reduce the dangers which must inevitably arise from the continued isolation, whether self-imposed or not, of a country of the size and potential power of Communist China. Canada has sought to do its part in promoting the contacts which may in the long run reduce that isolation. We are glad that in extensive trade transactions the two countries have found mutual benefit. Canadians welcome signs that the United States, in particular, is moving also towards greater contact. It is to be hoped that Communist China will recognize the value of engaging in such contacts.

In a question as difficult as that of China's present and eventual place in the world, the modest beginnings involved in discussions of a few routine matters can develop the mutual knowledge and the reciprocal respect on which peace must eventually rest.

## The Vietnam Situation

If the position of Communist China in the world community is a source of underlying concern to many Canadians, the conflict in Vietnam creates open anxiety and leads to controversy.

The Canadian involvement in Vietnam arises from our membership in the International Commission for Supervision and Control, which was created by the 1954 Geneva Conference to supervise the Cease-fire Agreement between the French Union Forces and the People's Army of Vietnam. The Commission was given no executive role, and has always worked within the mandate given to it to supervise and report to members of the 1954 Conference on the implementation by the two parties of the provisions of the Agreement. It is sometimes overlooked that it has never had the power to bring about compliance with its recommendations.

It could be argued, and, indeed, it sometimes is, that, in the new and unforeseen situation now existing in Vietnam, the Commission serves no useful purpose and should be disbanded. The Government has examined this possibility on a number of occasions in the past, and has rejected it for what I consider to be sound reasons. None of the parties involved in Vietnam has, at any time, suggested that the Commission should be withdrawn. Both North and South Vietnam continue to look to the Commission to consider and adjudicate their charges, and the Commission is still able to conduct some investigations.

I should hope, for example, that the Commission would be able to establish the facts about recent violations of the Demilitarized Zone and take action designed to deter any future violations and to re-establish its demilitarized status. Success in ensuring that both sides respect the zone as a form of cordon sanitaire could be a first step, however modest, on the way to de-escalation and might serve as a pilot project for the sort of supervised settlement which must eventually be achieved.

The Commission also exists as the only remaining symbol of the 1954 Geneva settlement. We cannot discount the importance of the Commission as a reflection of the continuing interest of the Geneva powers in a situation which engages their international responsibilities. Finally, I continue to hope and to work for a situation in which the Commission might be able to assist in the achievement of a peaceful settlement. For all these reasons, therefore, we consider that the maintenance of the Commission is both necessary and desirable.

The war in Vietnam began as a symptom of the instability of Asia. As it goes on, however, it can become the cause of instability not only in Asia but in other parts of the world. Unfortunately, all attempts to bring about negotiations have been unsuccessful. We remain convinced, however, that the time for negotiations will come, must come, and that Canada has an obligation to contribute to the search for ways to bring them about.

Our Commission role has one further and very important advantage in that it gives us a special opportunity, available to very few others, of access to the capitals most directly concerned in the conflict. We have used this access and will continue to do so. Most of you will be aware of the two visits to Hanoi made by Mr. Chester Ronning as a special representative of the Canadian



Government. I scarcely need to tell you, in his home province, of his long and excellent service to Canada in previous years and of the significant contribution he is making now and which the Canadian Government knows he is prepared to continue to make in the field of Asian policy.

We have also explored with our Commission colleagues India and Poland the possibility of a useful role for the Commission in bringing the opposing parties closer together. Our efforts have not yet borne full fruit. Despite this, we intend to continue - either alone, or as a member of the Commission, or with other countries - our efforts to bring about peace talks and to find a path which may lead us out of this increasingly dangerous situation. Indeed, I feel that we have an obligation to continue to make every effort possible towards a settlement.

We are often urged to "demand" this or "insist upon" that with respect to some hypothetical solution of the conflict. I think we must recognize that to proceed along these lines is unlikely to be productive. Those who call for dramatic action on Canada's part, in the apparent expectation that we could help bring about some quick solution to the Vietnam conflict, either provide little analysis of the main trends in Asian affairs or they make assertions about these trends which scarcely fit the facts as we know them.

I think it important, in explaining the policies of the Government in these matters, to give some indication of how we view the developments in Vietnam and in Asia generally.

There is some danger that, faced with the constantly increasing scale of hostilities in Vietnam, and with the complexities of internal affairs in South Vietnam, we might conclude that the situation there is quite unique, that it has been created only by miscalculation or overwhelming ambition on one side or the other in one limited area and that a simple solution could be found regardless of developments elsewhere. We must, however, relate certain aspects of the situation in Vietnam to the problems of Asia as a whole - the lessons to be drawn from the unhappy situation must be placed in a broader perspective.

There are several characteristics of the Vietnamese problem which are common to other parts of Asia and, indeed, in some cases, to other parts of the world. It is, for example, a partitioned state, a victim of what has been called "this century's awkward form of compromise". The Seventeenth Parallel in Vietnam is certainly not the only one which has produced international crises. What has happened there provides further confirmation of the risks inherent in any attempt to remove agreed dividing lines by force, whether this force is manifested in open aggression or by subversion and infiltration. We can only work towards some realistic and relatively stable settlement comparable to those which have had to be accepted elsewhere.

The indirect methods of the Vietnamese war are a manifestation of the Communist doctrine of "wars of national liberation" so vividly described by Marshal Lin Piao last September. A future such as that envisaged by Lin Piao, consisting of a series of "liberation wars" supported by China, obviously will not bring about the stability and security which the states of Asia so desperately need. There are disquieting signs of developments elsewhere which point up the continuing danger of eruptions such as we now face in Vietnam.



Thailand, for example, is experiencing the same kind of terrorist attacks which characterized the early stages of the insurgency in South Vietnam. In Laos the areas under Pathet Lao control are being freely used for the movement of men and material from North to South Vietnam, and, as is shown by the latest report of the International Commission in Laos, made public earlier this week, members of the North Vietnamese armed forces have engaged in attacks against the armed forces of the Royal Government of Laos - all in contravention of the undertakings given in Geneva in 1962. The Pathet Lao have, for their part, protested alleged bombings by United States aircraft of the territory they control. The Commission has indicated its desire to investigate these allegations but the Pathet Lao have not so far been willing to facilitate such a legitimate exercise of the Commission's functions.

In the context of Asia, therefore, Vietnam is not a special case, either as a partitioned country or as a proving-ground for the doctrine of "liberation wars". In a third role - as a new developing country groping its way towards a sense of national identity - South Vietnam shares the plight of nearly all the countries of Africa and Asia.

It is sometimes argued that the shortcomings of successive governments in Saigon are somehow at the root of the tragedy that has befallen Vietnam - that the nature of government in the South provides the basis and excuse for Northern intervention. This argument is not adequate as a justification of aggression, since its application throughout the world obviously would soon result in international anarchy.

Furthermore, it is possible to recognize the inadequacy of governments in South Vietnam, and the existence of internal dissent, without concluding that the present war is in any significant measure the product of these. Internal dissent is something we must expect in any new country where the people live on the margin of subsistence. We must never forget, either, that the difficulties experienced by countries like Burma, Indonesia and Pakistan have shown that the achievement of a viable nationhood, as we in the West are sometimes inclined to forget, is never easy or quick, even in a relatively serene and secure international environment. In the atmosphere of war and subversion fomented from without, the difficulties become almost insurmountable.

We should turn for a moment, however, from the difficult problems which Vietnam shares with other nations and which sometimes make solution of the conflict seem almost impossible to some considerations about the general situation in Asia which offer seeds of hope.

First of all, the "war of national liberation" has not proven to be an effective instrument for the extension of Communist power in Asia. It can be a powerful weapon when used against single states groping their way towards social and political stability. In Vietnam, however, countervailing measures have been taken to redress the military balance and to meet the outside support essential to the success of the technique.

One of Peking's most important foreign-policy objectives has been the removal of American influence from Asia; by now, however, it must be becoming apparent to the Chinese that the sort of situation which was fostered in Vietnam has, as in Korea, led once again to the involvement of United States forces in

a conflict on the Asian mainland. The clear determination of the South Vietnamese, the United States and others to prevent a forcible takeover by North Vietnam, must at some stage be taken into account in Hanoi and Peking. We can hope, therefore, that a realistic appraisal of the efficacy of "national liberation wars" eventually will lead to their abandonment.

Some would argue that if development towards a genuine balance of power was one of the hopeful aspects of the current situation in Asia, Canada might best serve the cause of peace by sending troops to participate in the Vietnam conflict. They would wish to see us take a position comparable to that of some nations in the area or of the great powers. They would be willing to abandon hope that the International Control Commission or any of its members could help towards a negotiated settlement of the Vietnam conflict.

I think that the reasoning which lies behind such proposals is quite unsound. It is essential that a balance of power be achieved by the nations of the area and by nations already deeply involved in the security and well-being of that part of the world. It is also essential that a balance which is quite possibly in the making within the next year or two should not be prejudiced by a wider and wider involvement of nations likely to make the central problems of Far Eastern affairs even more difficult to solve.

It is because we see some prospects of an eventual settlement which recognizes the realities - military, political, economic - in the Far East that we consider it particularly important to maintain all the efforts which I have already described to facilitate a negotiated settlement of the Vietnam conflict.

We have also urged the international community to accept its responsibility to see that situations such as the one which has arisen in Vietnam are brought under control. As the Prime Minister said in March 1965:

"If a single power has to undertake this task, there arises the danger of widening the struggle into general war. So the nations of the world must be ready to produce an alternative."

#### Canada's Involvement in Other Asian Developments

It is evident that military action alone does not provide an adequate answer to the concept of "people's war", and that the long-term stability and security of China's neighbours will depend on their ability to find solutions to the multitude of political, social and economic problems confronting them. In this field, too, there is reason for optimism, and I should like to turn at this point to other trends in Asian affairs and to Canada's interest and involvement in them.

When Indonesia first instituted its "confrontation" of Malaysia, Canada deemed it advisable to come to the aid of its Commonwealth partner with offers of military equipment and training facilities designed to help Malaysia preserve its territorial integrity. We now welcome the end of this wasteful and destructive confrontation which will enable both Indonesia and Malaysia to exert their influence on behalf of peaceful progress in Asia. Further to the north, the signing of the Normalization of Relations Agreement by Japan and Korea has removed another source of friction.



Many of the smaller countries of Asia have achieved remarkable rates of economic growth. Despite the unsettled conditions in the area, the development of the basin of the lower Mekong is proceeding at an encouraging pace. The establishment of the Asian Development Bank, more than half of whose capital of \$1 billion has been subscribed by the regional members of ECAFE, will provide a solid base for the accelerated development of the region. The recent establishment of the Asian and Pacific Council joined together nine Pacific countries in an effort to achieve greater co-operation and solidarity in political and economic fields. Although the participants announced their intention to safeguard their national independence and integrity against any Communist aggression or infiltration, they made clear their desire to avoid any further polarization of Asia into Communist and non-Communist groupings.

Canada, in every appropriate way, is making substantial contributions to the process of building a stable and self-reliant Asia. Canadian contributions under the Colombo Plan alone have totalled more than \$500 million. Canada has just ratified the agreement setting up the Asian Development Bank and as a charter member we have subscribed \$25 million. We have participated in the Mekong basin project from its inception, and have only recently pledged \$2 million to the Nam Ngum hydro-electric project in Laos. It was in the light of the importance that we have always attached to regional developmental programmes of this nature for their contribution both to economic progress and to increased stability that we welcomed President Johnson's billion-dollar co-operative regional development programme for Southeast Asia and said we would play our full part.

All these developments, political and economic, contribute to the elimination of the splintering of the countries of the Pacific area which has made them so vulnerable to outside pressures. It is possible to see, in addition to increasing international co-operation in Asia, the emergence of an economically strong and prosperous Japan in an active diplomatic role and the creation of a wholesome balance of power which hitherto has been possible only as the result of United States commitments.

Canada and Japan see eye to eye on many of the problems which the Pacific powers face today. I like to think that the excellent relations which we enjoy are a good example of the concrete results which can be achieved by the pattern of close consultation which has been built up between our two governments in recent years. Early in October we shall be having talks in Ottawa with five Japanese cabinet minister's on the occasion of the fourth meeting of the Canada-Japan Ministerial Committee. These consultations enable us not only to deal with bilateral problems but to increase our co-operation in Colombo Plan development programmes and to act together in international situations to our mutual benefit.

It is this kind of co-operation which I hope we shall see develop amongst the countries of Asia, all of which must eventually assume primary responsibility for the peace and stability of their own area. India, Pakistan and Indonesia will be important factors in this new Asia. It is for this reason that Canada has been so concerned to encourage the peaceful settlement of the disputes which have had such adverse effects on the economic progress these countries must make to take their rightful position in the Asian scene.

We are confident also that links between Asian and other members of the Commonwealth, the active roles of Australia and New Zealand, the important influence of France in Asia (and we share with France a real interest in nations retaining close associations with French culture) will all contribute to the development of those conditions of stability which the world desires.

## Conclusion

These are some of the highlights of our policies, and of our convictions about Asian affairs. It is impossible to discuss all the aspects of this vital subject, but I have tried to indicate where the Canadian Government stands with respect to some of the greatest issues you have been discussing this week.

I think that most of you would agree that all such discussions tend to come back to one central question - what are the intentions of mainland China and what are the prospects of coming to a realistic, to a mutually beneficial and I hope friendly, understanding with that country?

Whether one considers the situation in Vietnam or in its neighbouring states, on the borders of India and Pakistan, or throughout the continent, so far as general stability and peace are concerned the question of Chinese attitudes arises.

I can envisage interim measures which could serve to reduce tensions in Asia and perhaps to re-introduce an uneasy peace. I firmly believe, however, that central to all the issues you have been discussing in Banff this week is the question of China's position in the international community. I suggest to you that the working out of a modus vivendi with China will be the real test of the next decade, perhaps even the next generation, for both the governments and the peoples of the West and Asia. Developments in the past year, particularly amongst our good neighbours to the south, reveal a growing realization of the urgency of this central issue. And it is this issue, I suggest, which governs the formulation of our policy towards Asian problems, even where Canadian actions may seem unrelated or even inimical to this long-term aim.

This is why we have to search for some equitable solution in Vietnam; why we must encourage the end of disputes which sap the strength of China's neighbours; why we have lent support to India in that country's efforts to protect its territory against Chinese pressures. But this is also why we urge that China be brought into disarmament talks and that some equitable way be found to seat its representatives in the United Nations, and why we encourage trade and work to increase contacts with the Chinese people.

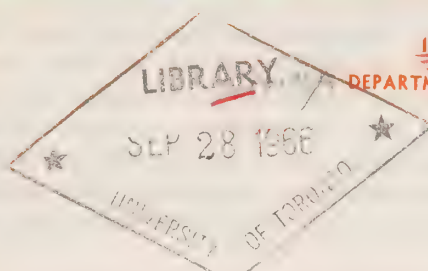
It will obviously be a most difficult and slow process at best to move towards a real understanding with the government of the mainland Chinese. But I would borrow a Chinese maxim - "A journey of a thousand miles begins with a single step". If both we and the Chinese are willing to embark on this long journey, in spite of its obvious difficulties and hazards, then we can hope for a new era in Asia's history worthy of the greatness of its past.







## STATEMENTS AND SPEECHES



INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 66/35 CANADA'S RECENT EXPERIENCE IN INTERNATIONAL CLAIMS

Donald S. Macdonald\*

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Two entirely disconnected situations presently before the Government of Canada offer an opportunity to illustrate Canada's current approach to the question of international claims, both as a claimant and as a respondent. These are: the current efforts to obtain payment from certain Eastern European countries of the claims of Canadian citizens for nationalized property; and arrangements with the United States for the arbitration of claims of American citizens arising out of the Gut Dam controversy. In the former, Canada is the plaintiff, while in the latter she is the respondent. Both questions provide illustration of the Canadian attitude to international disputes and the applicable principles of law.

Perhaps the most useful starting point is from a familiar text, which if not of Biblical origin is at least from the Permanent Court of International Justice, and has found widespread support as a declaration of principle. In its decision on the *Mavrommatis Palestine Concessions*, the Court remarked:

It is an elementary principle of international law that a State is entitled to protect its subjects, when injured by acts contrary to international law committed by another State, from whom they have been unable to obtain satisfaction through the ordinary channels. By taking up the case of one of its subjects and by resorting to diplomatic action or international judicial proceedings on his behalf, a State is in reality asserting its own rights -- its right to ensure, in the person of its subjects, respect for the rules of international law.<sup>1</sup>

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\*Member of Parliament for Toronto (Rosedale), and Parliamentary Secretary to the Secretary of State for External Affairs. This article is a revised version of a paper presented to the International Law Association, Toronto Branch, on May 11, 1966.

<sup>1</sup>*Permanent Court of International Justice*, Series A, No. 2, p. 12 (1924).



The emergence of a Soviet Russia in 1917 and the extension of its communist system to most of the nation-states of Eastern Europe after 1945 brought with it the fundamental social change of abolition of private property. In the case of the nationals of the countries in question, one is compelled to recognize the effectiveness of the power of their governments to carry out expropriation even if one does not sympathize with the underlying political philosophy. What has been hotly disputed and resisted, however, has been the further suggestion that the property of nationals of other states might also be taken without need for compensation.

A generation of international lawyers has been kept busy in defining the rights and obligations of those interested in nationalized property. Canada did not play a prominent role in these earlier negotiations, principally because her nationals did not have as much in the way of foreign interests as other nations.

But Canadian nationals were affected, along with the others, and from the earliest moments of these developments, Canadian governments have shown an interest on their behalf. Effective settlement of these claims at an earlier date was not possible, because earlier Canadian governments lacked the more obvious forms of leverage enjoyed by other Western countries to compel foreign governments to recognize our claims. With some at least of the Eastern European countries, nations like the United States or Switzerland, which had under their control large blocked balances of funds belonging to expropriators, were able to negotiate effective settlements. Equally, nations with whom the Eastern European countries had enjoyed favourable trade balances were able to compel recognition of their rights.

What has produced renewed activity between Canada and many of these countries nearly twenty years after the claims first arose has been the change in attitude of the states in Eastern Europe and their evident desire to establish closer diplomatic and trade relations with Canada along with other Western countries. Canada has made it clear that without a settlement of outstanding claims, better diplomatic relations will be harder to attain, and in the past two or three years negotiations have been opened with some of the countries against whom Canadian nationals have outstanding claims.<sup>2</sup>

These negotiations have assumed a pattern made up of five stages leading to final settlement. In the first stage, Canada enters into an agreement in principle with the foreign nation that outstanding claims are to be negotiated.<sup>3</sup>

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<sup>2</sup>See generally in this connection: Erik B. Wang, "Nationality of Claims and Diplomatic Intervention -- Canadian Practice," *Canadian Bar Review*, Vol. 43, No. 1, March 1965, pp. 136-50; "International Claims," *External Affairs*, Vol. XVIII, No. 1, January 1966, pp. 11-20.

<sup>3</sup>Hungary, Poland, and Bulgaria.

As a second stage, the Government of Canada, through appropriate publicity,<sup>4</sup> invites Canadian nationals to submit details of their claims against the foreign government, and upon their receipt these applications are scrutinized by the Department of External Affairs to determine their appropriateness for negotiations. In the third stage, Canadian representatives enter into detailed discussion of the claims with the foreign representatives. As a fourth step the two governments then arrive at an agreement as to the quantum of the claims to be recognized, and the manner and form of payment. Finally, Canada will no doubt find it necessary to establish a foreign claims commission vested with the responsibility of determining the entitlement of Canadians to share in the lump sum settlement.<sup>5</sup>

What then is the current standing in the national play-offs? Yugoslavia, to its credit, has discharged its obligations to Canadians arising from pre-1948 nationalization decrees. In this case Canada has been the beneficiary of good fortune rather than of skilful play on her part, since she rode in on the coat-tails of the 1948 agreement between Yugoslavia and the United Kingdom, which was extended to include Commonwealth countries including Canada.<sup>6</sup> With Hungary and Bulgaria we are at stage three, having achieved agreement in principle,<sup>7</sup> determined for our own purposes the litigable claims, and are now in the process of bargaining over these claims with the respective governments. With Poland we are just completing stage two, having publicly requested Canadians having claims against Poland to file their claims with External Affairs by May 1, 1966.<sup>8</sup> In the case of Roumania we are still in stage one, endeavouring to negotiate agreement in principle. In the case of Czechoslovakia and the U.S.S.R. we have not yet gained their acquiescence even to discuss the question of an agreement, or they are not even at stage one.

Three other countries which have followed domestic policies similar to those in Eastern Europe are in an analogous but distinguishable position. These are Cuba, Indonesia and the United Arab Republic. In all three cases, representations on specific cases have drawn some favourable response and recognition of Canadian rights. Perhaps the most accurate description of our position vis-à-vis these three is that from a factual standpoint we have not yet determined the approximate dimensions of problems faced by Canadians in those countries. That, of course, does not rule out the possibility of our presenting a body of claims and a request for negotiations to any or all of the three.

Progress in all of these negotiations has not been meteoric, and we have encountered particular difficulty in making ground with countries like Hungary and Bulgaria with whom we are at stage three. By far the greatest difficulty in these two instances has arisen in disputes as to the applicable legal principles, and in carrying them out in particular cases. A number of legal issues which have arisen in the Hungarian negotiations may be referred to by way of illustration.

<sup>4</sup> Cf. re Poland, *Department of External Affairs Press Release No. 54*, Ottawa, September 1, 1965: "Notice concerning claims of Canadian citizens against Poland."

<sup>5</sup> Cf. Canadian War Claims Commission established to adjudicate on distribution to Canadian war claimants pursuant to Appropriation Act No. 4, 1952, Vote No. 696, *1952 Statutes of Canada c.55; Statutory Orders and Regulations Consolidation 1955*, Vol. I, p. 134 (P.C. 1954-1809), amended *SOR 1955*, p. 1477, *SOR 1956*, p. 464, *SOR 1958*, p. 1250.

<sup>6</sup> *1948 Canada Treaty Series No. 29*.

<sup>7</sup> Exchange of Notes with Hungary tabled in the House of Commons on June 11, 1964.

<sup>8</sup> See note 2, *supra*.



A critical question is that of the nationality of claimants. In pressing these claims Canada has observed the generally accepted principles of international law with respect to nationality of claimants.<sup>9</sup> A condition precedent to espousal of a claim by the Government of Canada is that the claimant must at the time that the claims arose have been a Canadian national, and that he must have remained so continuously up to the time of award. (To say that the Government of Canada has recognized the generally accepted rules as to nationality is not also to say that it is satisfied with them. Great injustice may be done someone who through inadvertence or accident of time does not fit within the rule. At the root of the Government's dissatisfaction is a fundamental dissent from the Marxist doctrine that it is fair or just to deprive any person of his property without fair and reasonable compensation. But while the Government of Canada remains most sympathetic to the plight of Canadian citizens deprived of property in their lands of origin, the generally accepted rules of international law have become too well established in this area to avoid. Canada has had to make a realistic appraisal that the best interests of a majority of claimants would be served by accepting the more limited class of claimant as defined by international law.)

Even then our difficulties with respect to the nationality of claimants are not over. The Hungarian authorities, basing their position on their nationality laws which declare to be Hungarian even native-born Canadians of Hungarian descent, have denied a substantial number of our Canadian claims on the basis that the claimants are dual nationals. To this the Canadian representatives have replied by asserting the doctrine of dominant or effective nationality, based on the following dictum of the International Court of Justice in the *Nottebohm* case:

International arbitrators have decided in the same way numerous cases of dual nationality, where the question arose with regard to the exercise of protection. They have given their preference to the *real and effective* nationality, that which accorded with the facts, that based on stronger factual ties between the person concerned and one of the States whose nationality is involved....<sup>10</sup>

As a measure of the determined nature of the opposition to our claims it may be observed that this argument on the basis of dual nationality was not operative against any of the half-dozen other Western nations with whom Hungary has already concluded settlements.

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<sup>9</sup> L.F.L. Oppenheim, *International Law* (8th ed., 1955), Vol. I, p. 347; Marjorie M. Whiteman, *Damages in International Law* (1937), Vol. I, p. 96; Green Haywood Hackworth, *Digest of International Law* (1943), Vol. I, p. 803; Jean-Gabriel Castel, *International Law* (1965), p. 1023.

<sup>10</sup> *I.C.J. Reports* 1955, p. 22.



A further legal question with respect to the nationality of claimants arises under the Hungarian Peace Treaty of 1947,<sup>11</sup> the benefits of which are extended to "United Nations Nationals" and those persecuted for racial or religious reasons during the conflict. A number of the Canadian claimants become eligible under the provisions of that Treaty.

Another legal problem which has arisen is in connection with the proof of claims, and obtaining evidence to satisfy that proof. In an ordinary law-suit in our courts concerning the title to land, the abstract of title is on public record, available to both parties. The difficulties of a plaintiff in a domestic law-suit would be immensely increased if the abstract of title was under the exclusive control of the defendant. But in the case of the Hungarian claims these difficulties are further compounded by a Hungarian law which prohibits the delivery of information or documentation with respect to nationalized land!

At the root of the legal stand-off which exists at the moment with respect to the Hungarian claims is a fundamental difference in approach. The Canadian claims which have been put forward are founded on the principles of the law of nations. They have been countered by Hungarian negotiators on the basis of domestic Hungarian laws. There has not been a fundamental meeting of the minds on the applicable law. Those who have read Professor McWhinney's recent work on the comparison of Soviet and Western law<sup>12</sup> will recognize that these difficulties spring from the basic difference in approach and philosophy of those under the different systems. It is little wonder that any progress toward final resolution of the claims is hard-won.

As the Canadian Secretary of State for External Affairs, Mr. Paul Martin, pointed out to the International Law Association in 1964,<sup>13</sup> the rules of international law applicable to the rights of aliens, and more particularly those related to the rights of aliens in the face of expropriation, are not satisfactory.

The current negotiations with the countries of Eastern Europe have not produced any amelioration of these rules, and are not likely to do so. In one sense the arrangements between Canada and the various Eastern European states are of a non-recurring, once-and-for-all nature. They reflect the political change from a free enterprise, private property system to a communist one. While the problems are not likely to present themselves in the same fashion with the same parties, these are important lessons to be learned from the Canadian experience, and it would be of value to apply these lessons in the future. For Canada is becoming more, not less, involved in economic development, both private and public, abroad. While it is not anticipated that our foreign interests will be challenged in the exclusive way experienced with the sovietization of Eastern Europe, it is not inconceivable that shifts in policy in even the most friendly of states can pose serious challenges to the Canadian investor abroad. Rather than forgetting our hard-won experience in these negotiations, we would stand to

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<sup>11</sup> 1947 Canada Treaty Series No. 5.

<sup>12</sup> Edward McWhinney, *Peaceful Coexistence and Soviet-Western International Law*. (Leyden, 1964.)

<sup>13</sup> "International Law in a Changing World: Value of the Old and the New," *External Affairs*, Vol. XVI, No. 12, December 1964, pp. 586, 590-1.

benefit from the development, by groups interested in international law, of techniques, both bilateral and multilateral, for adjusting amicably the competing interests and divergent philosophies of different nations.<sup>14</sup>

While Canada has been an international claimant pressing the claims of individual Canadians who have had property taken in the particular Eastern European countries with whom agreements have been negotiated, Canada has also been the respondent to international claims and is being pressed by a foreign government on behalf of its nationals in respect of damages claimed for Canadian government action. The case in question is that with respect to the Gut Dam which, in the past year, has been the subject of an arbitral agreement between the United States and Canada.<sup>15</sup>

The Gut Dam was erected in the years 1903-1904 by the Government of Canada in the St. Lawrence River about ten miles downstream from Prescott, Ontario. The purpose of the Dam was to assist navigation in the Canadian channel, and since one end of the Dam was to rest on American territory, its construction was the subject of negotiations between Canada and the United States. Strictly speaking, there is no single document which can be referred to as the Gut Dam Agreement. Rather the arrangements for construction of the Dam were the subject of some considerable correspondence between Ministers of the Canadian Government, the British Ambassador in Washington acting on behalf of Canada, and members of the United States Executive, and more particularly, Mr. Elihu Root, the Secretary of State, all of which is, for simplicity, referred to as the Gut Dam Agreement.<sup>16</sup> The Dam was duly constructed, and, for a period of nearly fifty years, it remained as a facility improving navigation, free from notoriety and almost free from public notice.

In the years 1951 and 1952, however, extreme high-water conditions were experienced on Lake Ontario with consequent damage to properties on both sides of Lake Ontario, but more particularly on the southern, or American, shore. The residents on the south shore were particularly vociferous in their claims that the Government of Canada, in its construction of the Gut Dam, had been the author of their troubles. Having formed a protective association, they backed up their words by commencing action first against the United States and then subsequently against Canada in the U.S. Federal Courts. The action against Canada was commenced in the District Court for the Northern District

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<sup>14</sup> Cf. Edward G. Lee, "Proposals for the Alleviation of the Effects of Foreign Expropriatory Decrees upon International Investments," in *Canadian Bar Review*, Vol. 36, No. 3, September 1958, pp. 351-9.

<sup>15</sup> Agreement between the Government of Canada and the Government of the United States of America concerning the Establishment of an International Arbitral Tribunal to Dispose of United States Claims relating to Gut Dam, signed at Ottawa, March 25, 1965; not yet ratified. And see in this connection, Richard B. Lillich, "The Gut Dam Claims Agreement with Canada," in *American Journal of International Law*, Vol. 59, No. 4, October 1965, pp. 892-8.

<sup>16</sup> British Ambassador's Note No. 336 to United States Government of 8 November, 1900, and British Ambassador's Note of March 28, 1903, to United States Government. Instruments of Approval dated August 18, 1903, and October 10, 1904, signed by the Secretary of War, Mr. Elihu Root.



of New York in 1956,<sup>17</sup> and the plaintiffs attempted to effect service on the defendant, styled "The Dominion of Canada," by serving the Canadian Consul in New York. The Consul refused service, and subsequently by a diplomatic note of November 10, 1952, Canada requested of the U.S. Government that it, by note, advise the Court of the sovereign immunity of Canada.<sup>18</sup>

The U.S. government refused to do so on the dual basis that, by the Gut Dam Agreement, Canada had waived the right to object to jurisdiction of the American courts, and also on the ground that, since the suit related to real property in the United States, the defence of sovereign immunity did not apply.<sup>19</sup> Faced with the necessity of defending the action, Canada retained counsel, who successfully objected on procedural grounds to the service of process and the action was dismissed, a dismissal ultimately concurred in when the Supreme Court refused certiorari.<sup>20</sup>

Two additional steps of a non-litigious character may be observed at this point, namely that, in 1952, the United States and Canada submitted a joint reference to the International Joint Commission under the Boundary Waters Treaty of 1909 to enquire into the question of high-water levels on Lake Ontario,<sup>21</sup> and in 1953, in part as a consequence of the St. Lawrence Seaway Development, the Dam itself was removed by Canada.

While the matter was still before the U.S. Courts, Canada submitted the note on November 10, 1952,<sup>22</sup> declaring

- (1) that it recognized in principle its obligation to pay compensation for damage to U.S. citizens, provided damage was attributable to the construction or maintenance of Gut Dam;
- (2) that Canada would not waive its sovereign immunity before U.S. Courts; and
- (3) that it was agreeable to the establishment of an appropriate tribunal to determine the extent to which damage, if any, may have been caused by high water attributable to the existence of Gut Dam, as well as the quantum of damage.

This particular position was rejected by the United States, and intermittent negotiations between the years 1952 and 1962 failed to yield any solution of the question. Finally, in 1962, by Act of Congress,<sup>23</sup> the claims of the American Gut Dam claimants were referred to the United States Foreign Claims Settlement Commission, a quasi-judicial tribunal in the United States

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<sup>17</sup>*Federal Supplement*, Vol. 144, p. 746.

<sup>18</sup>Canadian Ambassador's Note of November 10, 1952, to U.S. Department of State.

<sup>19</sup>U.S. State Department's Note of November 17, 1952.

<sup>20</sup>*U.S. Supreme Court Reports 1957*, Vol. 353, p. 936.

<sup>21</sup>Cf. L.M. Bloomfield and Gerald F. Fitzgerald, *Boundary Waters Problems of Canada and the United States* (Toronto, 1958), p. 197.

<sup>22</sup>Note referred to in footnote 18, *supra*.

<sup>23</sup>U.S. Public Law 87-587, *76 Stat. 387* (1962).



with power to determine the claims of American citizens arising out of foreign relations. This action faced Canada with an unpleasant choice: Canada could either not oppose the claims as they were presented to the Commission and thereby be subject to a unilateral finding by a foreign tribunal; or having to accept the jurisdiction of a foreign tribunal, an action which, in relation to the courts, Canada had already refused to do.

What was perhaps an even more fundamental motivation on the Canadian Government was an assessment of Canada's position in this controversy in relation to her customary posture in international relations. An outstanding claim would of course be an irritant in Canadian-American relations, although its importance should not be over-emphasized. While the controversy had been outstanding for over a decade, it had not been an evident source of bad relations. But a more fundamental challenge for Canada lay behind the American claim to litigate the dispute. Ever since her emergence as a sovereign nation (which coincides with the establishment of the Permanent Court of International Justice) Canada has been a firm, some might even say a tiresome, advocate of resort to judicial process for settling international disputes. Canada's was one of the earliest and most unequivocal submissions to jurisdiction of the International Court.<sup>24</sup> In the face of that, how could it be said that we should not agree to adjudication of this dispute? We may indeed regard the claims as frivolous, as over-valued, as without any basis in law, but why then not seek confirmation of our position by an arbitral tribunal? In the light of successive statements by Secretaries of State for External Affairs<sup>25</sup> in favour of establishing the rule of law in international relations, Canada could hardly avoid practising what she had preached. In the face of those considerations, a supra-national arbitration remained the best solution.

The American Executive indicated that it was in favour of the settlement of the question by an international arbitral tribunal in lieu of the decision by the Foreign Claims Settlement Commission, and after negotiations between the two countries, an agreement dated March 25, 1965,<sup>26</sup> was entered into by which the Lake Ontario Claims Tribunal -- United States and Canada -- was established.

The Tribunal is to be made up of three members, one appointed by each of the two states, and the third by agreement between them or, failing such agreement, by the President of the International Court of Justice.<sup>27</sup> The decision of the Tribunal is to be by majority vote, each of the three members having one vote.<sup>28</sup>

<sup>24</sup> Instrument of ratification deposited on July 28, 1930. See *International Court of Justice Yearbook 1963-64*, pp. 221-2.

<sup>25</sup> See the speech by the Hon. Paul Martin to the Toronto Branch of the International Law Association, October 14, 1964, in *External Affairs*, Vol. XVI, No. 12, December 1964, pp. 586-96, referred to in footnote 13, *supra*.

<sup>26</sup> Cited in footnote 15, *supra*.

<sup>27</sup> Article I.2.

<sup>28</sup> Article I.3.

ARTICLE II of the Agreement sets out the jurisdiction of the Tribunal:

1. The Tribunal shall have jurisdiction to hear and decide in a final fashion each claim presented to it in accordance with the terms of this Agreement. Each decision of the Tribunal shall be based on its determination of *any one or more* of the following questions on the basis of the legal principles set forth in this Article:

- (a) Was the construction and maintenance of Gut Dam the proximate cause of damage or detriment to the property that is the subject of such claim?
- (b) If the construction and maintenance of Gut Dam was the proximate cause of damage or detriment to such property, what was the nature and extent of damage caused?
- (c) Does there exist any legal liability to pay compensation for any damage or detriment caused by the construction and maintenance of Gut Dam to such property?
- (d) If there exists a legal liability to pay compensation for any damage or detriment caused by the construction and maintenance of Gut Dam to such property, what is the nature and extent of such damage and what amount of compensation in terms of United States dollars should be paid therefor and by whom?

The final words cited, "and by whom," indicate a further concession by the United States. The Tribunal is to have jurisdiction to determine what, if any, responsibility the United States must bear for any loss that is found attributable to the Dam.<sup>29</sup>

One can foresee for the Tribunal some difficult decisions on the question of causation. The Joint Reference to the I.J.C. in 1952 of the question of high-water levels in Lake Ontario has been referred to above. The final report of the International Lake Ontario Board of Engineers<sup>30</sup> emphasized the great importance of natural factors such as precipitation, evaporation, wave action, barometric pressure and ice retardation on the variation in levels. In addition the Engineers pointed out that there were three other non-natural factors besides the Gut Dam which, in conjunction with crustal movement (that is observed rising in the earth's crust at the mouth of the Lake) contributed to an elevation of the Lake level by 1.21 feet between 1903-4 and 1962. These are the regulation of Lake Superior, changes in the Chicago water diversion, and diversion of the Long Lac watershed into Lake Superior. These three are all posterior in time to the Gut Dam and

<sup>29</sup> Lillich, "The Gut Dam Claims Agreement with Canada," pp. 892-8.

<sup>30</sup> *Water Levels of Lake Ontario Final Report to International Joint Commission, International Lake Ontario Board of Engineers, December 1959.*



produced nearly double the increase in levels that it did. The Tribunal has the unenviable task of determining which, if any, of these factors or what combination of them was the cause of the damage in particular cases. That would be a difficult question under domestic law apart from international law.

One of the difficult questions arising in negotiation of the Lake Ontario Claims Tribunal Agreement was the law which was to be applicable to the termination of liability: American, Canadian or international. The Agreement provides that "the Tribunal shall apply the substantive law in force in Canada and in the United States of America,"<sup>31</sup> including international law as part of the domestic law of each country. It further provides that "in the event that in the opinion of the Tribunal there exists such a divergence between the relevant substantive law in force in Canada and the United States that it is not possible to make a final decision with regard to any particular claim...the Tribunal shall apply such of the legal principles set forth above as it considers appropriate, having regard to the desire of the parties hereto to reach a solution just to all interests concerned."<sup>32</sup> This solution provides an interesting contrast to the non-consensus on applicable law referred to in the Canadian-Hungarian negotiations. The underlying principles and, of course, the basic philosophies of the U.S. and Canadian systems are very close.

The amount of the claims against Canada has been variously estimated in the course of negotiations as between \$875,000.00 and \$7.5 million. It might well be contended that the entire negotiation, and indeed the arbitration, is much ado about nothing. Why did Canada not pay up the money and get rid of the difficulty? A primary motivation from Canada's standpoint towards continuing to adhere to the request for arbitration was a reluctance, by entering into a settlement in this case, to create a precedent for a settlement in similar claims in boundary-waters problems in the future. At all times the Canadian negotiators remained wary of the precedent-making possibilities of a quick settlement in this particular case.

On the other hand, it is because of the precedent-making potential of the arbitration and the decision of the Tribunal that the matter will continue to be of interest to international lawyers. The decision of the Tribunal and the principles followed in arriving at it will be an addition to that at-the-moment very slim body of law which was augmented in Canada-U.S. dealings by the Trail Smelter arbitration.<sup>33</sup>

It requires no great foresight to suggest that the number of cross-border contacts with a potential for delictual claim will increase with the expansion of the population on the continent and the expansion of activities by governments on either side of the border. The decisions to be made on the question of causation, on the choice of applicable law and other legal questions which will have to be decided in the course of arriving at a decision by the Tribunal will be of considerable significance in future legal relations between the two countries.

<sup>31</sup>Article II.2.

<sup>32</sup>Article II.3.

<sup>33</sup>*Trail Smelter Question. Decisions of April 16, 1938 and March 11, 1941* (Ottawa, Queen's Printer, 1941). See also "Trail Smelter Arbitral Tribunal Decision," *American Journal of International Law*, Vol. 33, No. 1, January 1939, pp. 182-212; and Vol. 35, No. 4, October 1941, pp. 684-736.





# STATEMENTS AND SPEECHES

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No. 66/36

## PROGRESS IN CO-OPERATION BETWEEN CANADA AND FRENCH-SPEAKING AFRICA

Excerpts from a Speech by the Secretary of State for External Affairs, the Honourable Paul Martin, at a Briefing Conference for French-Language Teachers Proceeding on External Aid Assignments, University of Montreal, September 2, 1966.

...A few years ago, in similar circumstances, I appealed particularly to French-speaking Canadians to enter careers in our diplomatic service and to support Canadian activities overseas by taking part in other forms of our activity in the international field. I have always considered that it is vital for Canada to enter into closer contact with the French-speaking world and I have always believed that the Canadian presence in other parts of the world must reflect the bilingual and bicultural nature of our country.

You are probably aware that our allocations of aid to the French-speaking countries of Africa have grown from \$300,000 in 1963 to \$8 million in the course of the present fiscal year, while, during the same period, our allocations to French-speaking countries in Asia have gone from \$368,000 to \$3,500,000. To get a programme of this scope under way in a few years entailed some risks because it could not be accomplished without the dynamic involvement of interested governments, intermediate agencies, Canadian firms and, especially, our teachers. It is with great pleasure and legitimate pride that I state today that my appeal has been heard and that, for instance, the departure of a group as numerous as yours will bring to about 230 the number of our teachers in the French-speaking countries of Africa alone. This programme began in 1961 with seven teachers.

I am glad also that there has been an important increase in the number of French-Canadians working in the External Aid Office and that between 1/4 and 1/3 of the Foreign Service Officers now entering the Department of External Affairs speak French as their native language. The numbers are not yet sufficient in either case. I welcome this trend, however, towards a more balanced representation of the main elements of the Canadian population in carrying out our external-aid programmes and all the other broad purposes of our external policy.

There is another point I am glad to emphasize, and that is the expansion of our diplomatic representation in French-speaking African countries. In 1961 we opened in Yaoundé our first embassy in that part of Africa that was formerly French. Our relations with Cameroun have since that time broadened considerably. Cameroun has in its turn become the first French-speaking African country to open a mission in Ottawa. Perhaps because they have been brought closer together by those national characteristics they have in common, such as bilingualism, Cameroun and Canada are today actively engaged in co-operation that will make evident the scope of the good relations that are developing so happily between the two countries. In order to provide a recent example of this co-operation, I should mention a bridge-construction project that will be undertaken in Cameroun within the framework of our aid programme.

In the Congo (Kinshasa), we have had commercial representation since 1946. This was converted into an embassy in 1962. The Congo is also represented in Ottawa. During this present year we have opened embassies in Senegal and Tunisia. It is clear that these specific moves, seen in their totality, reflect the importance which the Canadian Government ascribes to the development of its relations with the French-speaking African countries....

What are the great challenges that have faced us for the past decade and will continue for at least another ten years? Is it the balance of military force between the most powerful nations? Is it the solution of financial problems in the rich countries? The greatest challenge lies in the fact that only one-sixth of humanity is nourished sufficiently and well. Hunger in the world has become one of the most fundamental problems of our time. The fate of the human species depends to a large extent on the solution we find for it in the years to come. It is useless, indeed dangerous, to speak of reason, tolerance and social justice to those with empty stomachs.

For some years now, Canada, which is known to be one of the greatest producers of food-stuffs, has made very great efforts to carry out successfully the fight against hunger. Nevertheless, even if we were to spread our surplus production to the four corners of the earth, we could not by ourselves engage successfully in the struggle. That is why Canada, in addition to having its own programme of external aid, is an active member of the Colombo Plan, of the Food and Agriculture Organization (founded, incidentally, in Quebec in 1945), of the International Bank for Reconstruction and Development and of the Development Assistance Committee of the Organization for Economic Co-operation and Development.

Canada has quadrupled the sum that it was pledged to allocate in food-stuffs and currency to the World Food Programme during the present three-year period. It has done this without lessening the support it gives to other international institutions. This year, 33 Canadian experts are working in 21 countries, assisted by the Food and Agriculture Organization.

Those countries suffering from hunger turn toward Canada and we, in turn, set under way programmes of foreign aid that have increased at an accelerating rate. From April 1, 1961, to May 31, 1965, Canada allocated \$139,752,000 to food aid, principally in the form of wheat and of flour. This was done on a bilateral basis with the Colombo Plan countries. In addition,

it provided more than \$14 million to the following multilateral agencies: the United Nations Relief and Works Agency for Palestinian Refugees, the United Nations Children's Fund, and the World Food Programme.

It was only during the financial year 1964-65 that a separate food-aid programme, to which the sum of \$15 million was allocated, was established. Before the end of the year, supplementary grants for the food-aid programme had raised this amount to \$22 million, but, because of the serious famine in India, this figure finally rose to \$35 million for 1965-66. Supplementary allocations will be added to the basic allocations for the financial year 1966-67, and these will bring the total sum devoted to food aid by Canada to a new high of \$75 million.

The efforts undertaken by Canada to aid under-nourished countries are not limited to the provision of wheat and flour. Canada devotes an important part of its aid programme to the development of the agricultural sector, because the ultimate purpose of our foreign aid is to enable the countries concerned to meet their own needs from their own resources. Canada participates in hydro-electric projects, in measures of irrigation and land reclamation, and in projects of rural electrification and flood control. We make available to the countries that benefit from our overseas aid fishing-boats, farm instruments, pesticides and fertilizers. We have also sent overseas a great many technical advisers on co-operatives, agriculture and fisheries....

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No. 66/37

PEACE AND WELFARE IN THE HEMISPHERE

Speech by the Acting Prime Minister and Secretary of State for External Affairs, the Honourable Paul Martin, at the Opening Session of the Eighth American Regional Conference of the International Labour Organization, Ottawa, September 12, 1966.

Mr. Chairman,

I am honoured and pleased, on behalf of the Government of Canada, to extend a welcome to you and to other representatives of the Governing Body of the International Labour Office and to representatives of North, Central and South America participating in the Eighth American Regional Conference. The Prime Minister regrets that the necessity of attending the conference of Commonwealth prime ministers in London has made it impossible for him to greet you this morning.

The presence of the Director-General of the ILO, the Director-General of the Organization of American States and of governmental, labour and employer representatives, eminent in their respective fields in their own countries, makes this a noteworthy occasion for Canadians.

The holding of a major ILO conference in Canada is an event which will lead many of us in this country to reflect on earlier episodes in the history of this great international organization. It is 20 years since an ILO conference has been held in our country. We recall the years during the Second World War when the International Labour Office was located in Montreal.

I have reported to Members of this House of Commons on the proceedings of the Philadelphia conference in 1944. It was my opinion then, and time has confirmed my opinion, that the declaration adopted in Philadelphia at a critical point in the life of the Organization was "one of the historic pronouncements of civilized men". In setting forth the right of all human beings to employment, economic security and equal opportunity, it helped to set new goals for humanity in the era following the Second World War.

It seemed to us then that the principles set forth in Philadelphia would have been labelled revolutionary earlier in the century. I recall reflecting then on the "immense influence of time and knowledge on our ideas".

The processes of change have been gathering momentum since that time. Three years ago the present Director-General pointed out that "international organization is still in its earliest childhood. The needs, the problems and the achievements of today would have astounded the pioneers of a generation ago".

He pointed out also that: "Those responsible for the direction and guidance of the world bodies can never forget the fragility of these organizations, the need to build up world confidence by moving from sure precedent to sure precedent, reinforcing agreed norms with well-conceived action, conforming scrupulously to the gradually elaborating law and principles of the world community".

The growth towards a genuine world community whose members could both live in peace and assert their diverse characteristics in freedom is a slow one. Nevertheless, the development of an international conscience about welfare and peace, stimulated to such an important extent by the work of the ILO itself, has led to a flowering of international institutions. Each of these has its particular mandate and each relates its work to the general task of promoting peace and economic and social development in the world.

It is correct, therefore, to stress the fact, as Mr. Morse has done, that the first general characteristic of the ILO is a commitment to peace. The Organization has always manifested its concern both for the most modest technical improvements in the working conditions of daily life and for the ultimate issues of war and peace.

In this conference we shall be studying social policy and economic development in the Americas. The prospects for peace in the world generally and in this Hemisphere will determine how rapidly this development can proceed.

Canada intends to make its contribution to the achievement of political stability and to the increase in economic welfare in this part of the world

- a) by working through any channels open to us towards the lessening of world tensions which threaten all regions;
- b) by strengthening the friendly relations already existing between Canada and the other nations of this region; and
- c) by participating in economic projects which will assist developing nations in the Caribbean and Latin America.

#### World Tensions

In spite of some serious problems, there are not as many barriers to peaceful change and economic development arising out of international political tensions in this part of the world as in other regions. Canada has not known armed conflict with its nearest neighbour since the early nineteenth century. Our developing relations with nations farther away in the Hemisphere have proceeded always in the ways of peace.

These relations with all independent nations in North, Central and South America have a solid basis in political interests, co-operation within the United Nations, trade and, to an increasing extent, economic assistance. I welcome the steady growth of mutual respect and understanding.



There has been increased understanding, I believe, of some of the unique features of our history. Until the Commonwealth Caribbean nations began to achieve independence, we were alone as an independent monarchy in the Western Hemisphere among republics. Canada had been a colony which evolved gradually towards independence, a nation which emerged fully in international affairs in its own right only after the First World War. It has a bicultural society with distinctive attitudes towards European motherlands.

Our history has not, however, led us to look only to the North Atlantic and Europe. We have long recognized that the republics of North and South America, acting through regional political institutions, have contributed to the preservation of order and to the promotion of peaceful change. Their actions have benefited many other nations and we have realized the need to support their efforts in the ways appropriate to us.

We have also felt, of course, that the degree of international stability which could be achieved by such arrangements in this Hemisphere has always been dependent, in the long run, on the maintenance of stability in other regions as well. This is a feeling which has been deeply rooted in Canadian minds and has influenced some of our greatest decisions as a nation.

I make this point, however, not in order to discuss the past but by way of preface to remarks about some of the main current concerns of Canada - and of many other nations too - in world affairs. The situation in Rhodesia, where our concern is shared by other Commonwealth countries in this region, the conflict in Vietnam and the internal problems in NATO resulting from the French withdrawal from the integrated military structure of the alliance earlier this year have all loomed large in our external policy discussions.

At times some of these problems may appear remote to people in parts of this Hemisphere, compared with local political and economic problems. And yet can it be doubted that the problem of relations between races and of political justice in Rhodesia, with which our Prime Minister is very directly concerned in London, has very wide implications?

In Vietnam, Canada has served for 12 years as a member of the International Control Commission. We hope that, even under present conditions there, the Commission will be able to exert some influence in limiting the conflict. We have taken direct initiatives to explore the possibility that there might be some common ground between the protagonists that could lead to negotiation. Who can doubt that, beyond a certain point, the conflict in Southeast Asia could create an even greater political and military crisis with the most profound dangers for the whole world?

In the affairs of the North Atlantic alliance, we have worked with other members to preserve the unity and military effectiveness of the alliance in the face of major readjustments required by the French action. Canada has been particularly concerned, however, both to maintain conditions under which France could continue to make an important contribution to the alliance and to explore any ways of reducing East-West tension and achieving a European settlement. We believe that the experience of recent years has indicated the great importance for this Hemisphere also of working towards these objectives.

We have accepted the obligation as an economically-developed nation to extend economic assistance both by direct action and through world-wide or regional programmes carried out by the United Nations, the ILO and other agencies.

Canada is carrying out at present a programme of economic co-operation involving the allocation of about \$300 million. In the last four years, approximately, our appropriations have almost tripled. We are working towards levels of aid activity which will take fully into account the recommendation of competent international agencies concerning the allocation by developed nations of 1 per cent of their gross national product to these purposes. Our allocations must, however, take into account what is sometimes overlooked, that Canada is a net importer of capital.

Our major assistance programmes in Colombo Plan countries in Asia after 1950 and then in other Commonwealth and in French-speaking countries after 1960 have, of course, arisen from Commonwealth associations and other traditional interests. Considerations of language have been of operational significance, particularly in technical assistance projects.

It is important to note, however, that in this Hemisphere the programme for Commonwealth countries in the Caribbean area began in 1958 and that bilateral assistance to developing countries in Latin America began in 1964 with the establishment of a development-loan programme to be carried out in conjunction with the Inter-American Development Bank.

It is also important to note that Canada contributes substantially to multilateral aid programmes benefiting developing countries throughout the world. We have, for example, quadrupled the sum pledged to the allocation of food stuff and currency to the World Food Programme. In this field, we are the second highest contributor among the nations. Our food-aid programme will reach a new high of \$75 million this year.

Since the inception of the United Nations Programme for Technical Assistance, Canada has been among the leading contributors. In various fields of United Nations activity and in the work of the Specialized Agencies (among them, of course, the ILO), we have participated by financial contributions to work being done in this Hemisphere as in other parts of the world.

#### Relations with the United States

Our second aim has been to strengthen friendly relations with the nations of the Americas.

I scarcely need to discuss the closeness of our relations with the United States in detail. As neighbours sharing a transcontinental border and possessing a great many common beliefs and practices, we are engaged in many joint projects and come into contact in very many ways. The recent meeting of President Johnson and Prime Minister Pearson for a day's discussion of world, continental and even domestic topics in one country or the other indicates the intimacy of our relations.



There is, of course, a great disparity of power and there are some fundamental differences in our respective positions in the world. Friendly as our relations are, we do not necessarily always reach the same conclusions about world affairs. We do, however, have the greatest respect for the high sense of duty with which the American people have taken on heavy obligations of world leadership.

Perhaps the heart of the matter is we have no reason to fear our Southern neighbour, no desire to flatter her and every expectation that by contributing our own independent viewpoints we shall continue to work constructively with her for the welfare of the Canadian and American peoples and in many good causes throughout the world.

#### Commonwealth Caribbean Countries

With the Commonwealth countries in the Caribbean we have traditionally had a special relationship, which is now assuming new and greater significance. The Commonwealth Caribbean-Canada Conference which was held in Ottawa in July at heads-of-government level represented an important step towards the establishment of a process of closer consultation and practical co-operation among the Commonwealth countries of this Hemisphere.

The conference provided an opportunity for discussions over a very wide range of subjects: trade, development assistance, transport and communications, migration and cultural relations. A Protocol to the Canada-West Indies Trade Agreement in 1925 was signed and various ways of strengthening our trade ties were examined. Measures were announced which it is hoped will enable Canada, through its programme of aid, to assist more effectively in the efforts the Commonwealth Caribbean countries are making to develop their economies.

At the Commonwealth Caribbean-Canada Conference, the nations participating affirmed that "Commonwealth countries in the Western Hemisphere emphasize the great value they attach to their relations to the United States and the many countries of Latin America which make up the membership of the Organization of American States".

The special relationship which links the Commonwealth countries of this Hemisphere, like the Commonwealth relationship itself, is not to be regarded as exclusive or as an obstacle to the establishment and maintenance of close relations with other countries. We attach great importance to consultation and co-operation as exemplified by the Commonwealth Caribbean-Canada Conference and we anticipate that there will be further valuable meetings of this sort. It is not our intention, however, that the positions of the various Commonwealth nations with respect to the broad range of hemispheric matters should necessarily be the same.

#### Latin America

There has, of course, been public debate over whether Canada might enter into the particular political relationship with the United States and with Latin American states which membership in the Organization of American States would entail. This debate has sometimes led people to overlook the extent to which our relations with Latin American states in all fields have steadily developed.



Soon after we began to establish our own direct diplomatic relations with other nations, we opened missions in the larger Latin American capitals. We now maintain diplomatic relations with all these nations. Well before that, however, we had trade representatives in Latin American countries - in Buenos Aires in the last century, for example, and in several other capitals before the First World War. Trade has expanded very considerably. In the past 20 years, it has trebled both in sales to the area and purchases from Latin American countries. Last year Canada exported \$315-million worth of goods to Latin America and imported \$411-million worth.

We have, of course, been associated with Latin American nations in specialized fields of interest to the United Nations. In addition to accepting United Nations commitments, however, we have, in the past, tended to pursue regional interests chiefly in terms of Commonwealth and Atlantic-European associations. In recent years we have balanced these with a new interest in organizations of this Hemisphere.

We have become members, for example, of the United Nations Economic Commission for Latin America, the Pan-American Institute of Geography and History, the Inter-American Statistical Institute and the Inter-American Radio Office. Canada was represented by an official observer - for the first time - at the conference of the Organization of American States last November. We have good working relationships with the Secretariat of the Organization of American States and with specialized agencies of which we are not members.

Canada has been closely concerned with disarmament efforts and has had a long experience in the application of nuclear energy to peaceful purposes. We have followed with particular interest developments towards a nuclear-free zone in Latin America. Our officials in other fields, too, keep in touch with developments in Latin America. Many of you will recall the presence of representatives of our Department of Labour at the second conference of ministers of labour of the OAS in Venezuela last May.

There are many examples of contacts by private institutions. The churches have engaged in fruitful measures for co-operation - often in the welfare and educational fields - for over a century. Volunteers from the Canadian University Service Overseas are working in several South American countries.

#### Economic Assistance - Latin America

Since 1964 a new dimension has been added to our relations with Latin American nations in a field which will be, I am sure, of increasing significance. Canada's bilateral economic assistance for developing nations in Latin America began in that year, when development loan funds were allocated for that purpose. Since then, further allocations were made to help finance vital economic projects in Latin America. Only two months ago, in signing the latest exchange of letters concerning the allocation of funds, I assured President Herrera of the Inter-American Development Bank that "it would be our intention - subject to economic and other relevant circumstances - to make still further amounts of soft Canadian loan funds available...".

The programme is being carried out in conjunction with the Inter-American Development Bank. Various loan projects are under consideration. We have already approved a loan to improve the port facilities in Acajutla, El Salvador, and are about to name a consultant for this project. We have signed an agreement with Ecuador for a pre-investment study of the Guayas River basin. Under a loan to Paraguay, Canadian engineers will be making feasibility studies for an improvement to that country's highway system.

In co-operation with the Inter-American Development Bank, which is acting as administrator of loan funds on our behalf, Canada is initiating a programme of loans to finance pre-feasibility and pre-investment studies in Latin America. I can now announce that the Canadian Government has given approval in principle to the first of such loans to Argentina and Peru. These loans are subject to final investigation now being carried out by the Inter-American Development Bank.

These different projects will involve Canadians in the actual work being done in the various locations involved in Latin America. I expect that, in some cases at least, they will involve the visit to Canada of individuals from the countries concerned. We may expect, therefore, to have new contacts between individuals and agencies in various technical fields as a result of this loan programme.

I believe that, in spite of these expanding contacts, there is general agreement in Canada that we still need to know more of Latin America. Greater political involvement must proceed hand in hand with contacts in other spheres and increasing mutual awareness of the distinctive features of our traditional outlook.

I am not simply repeating a well-intentioned cliché, therefore, when I say that we do not know enough of one another. That is why I welcome the occasion provided by this ILO conference for persons representing important interests in Latin America to see something of Canada. I think that you will find current developments and ideas of interest to you in different spheres. Within this country, I have always encouraged the developing interest in Latin America reflected in press, radio, television, schools, universities and private associations of various types.

In the current categories of international economics, Canada is listed as a "developed country". We may, however, have some experience in the field of economic development different from that of the older and larger industrial states and more immediately relevant to the problems of some Latin American developing countries. We have learned much from others and we offer whatever may be of value in information about our economic and social institutions and procedures to our friends anywhere in the Hemisphere. I am sure that this conference and the associated visits in Canada will lead to useful discussions of common problems now and to fruitful contacts in the future.

In closing, I extend my best wishes for the success of the conference, and for mutually-beneficial relations between Canada and the nations of the Americas whose representatives are assembled here today. Our interests and responsibilities are wide and diverse, but I think that we meet here with some common convictions.

The first Secretary-General of the ILO, Albert Thomas, once said, with justified pride: "We have taught the world to speak something like the same language on labour questions". I would say that all of us who help to carry forward the work of the ILO, its sister agencies and the United Nations itself are teaching the world to speak the same language about civilized international relations, about goodwill between races and cultures and about peace.

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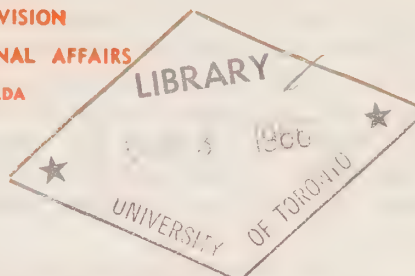


# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA



No. 66/38

## AID PROGRAMMES AND THE BUSINESS COMMUNITY

An Address by the Secretary of State for External Affairs,  
the Honourable Paul Martin, at a Luncheon of the Canadian  
Export Association, Toronto, September 14, 1966.

...I accepted your invitation to speak here today with particular pleasure because it gives me the opportunity of talking to those who, like myself, are involved with the world beyond our borders and with the ever-changing patterns of that world.

As one of the world's principal trading nations, Canada's economic health and growth is closely linked with the affairs of others. But it is not for trade alone that we have young men standing guard over the uneasy truce in Cyprus or helping to preserve the balance of power through lending their strength to the North Atlantic Alliance. Peace-keeping and defensive groupings are part of the price we pay willingly in this less-than-perfect world to promote the kind of stability in which all manner of human exchanges can take place for the common good. Today, I would like to tell you about another of our international responsibilities - the part we are playing in the collective campaign against hunger and poverty.

No world can be truly at peace when half its people go to bed hungry each night, when medical relief has yet to be brought to millions, when economic opportunity for so many of our fellow men is restricted to a daily struggle with infertile land or the backbreaking labour of primitive industrial tasks. We would not tolerate these conditions in our own land, not only because they are an affront to human dignity but because they would constitute a choking rein on our progress as a nation.

There are many, in the developed world of the West, who have found to their cost that the seeds of violence and disruption take root in ignorance, poverty and despair. And what cannot be accepted in a single country cannot be allowed to exist in the world of today, where self-containment is nothing more than dangerous delusion.

These thoughts have been expressed before in a 100 different ways by those who have been tirelessly preaching the gospel of international development assistance. But time has not dulled this message nor produced a ready solution to what is perhaps the single greatest challenge presented to our generation. Many remedies have been offered as an instant cure to under-development. All of them bite into a part of the truth, but none offers the panacea for the economic malnutrition suffered by two-thirds of our world.

There is, of course, no single, simple solution.

Better use must be made of available food resources, particularly the rich larder of the sea. Acres of barren land must be made to produce with the aid of modern techniques and fertilizers. The skills which we possess in the industrialized countries must be transferred through the classrooms now springing into eager life in Asia, the Caribbean, Africa and Latin America. We must be ready to help the developing nations to harness the energy of river and tide to generate the power needs of new industry. We must provide the capital resources to launch new undertakings.

We must also be prepared to make adjustments in our own economies. The transfer of production skills and the encouragement of industrial growth is given meaning only when accompanied by the offer of a remunerative market for the products of others. This could involve the reduction of trade barriers, the signing of international commodity agreements or the acceptance of increased quantities of manufactured goods from developing countries, and we shall have to meet these facts squarely if trade is to grow from aid to become the busy two-way street that leads to higher living standards for all.

This is the totality which must be envisaged. Neither trade nor aid can be viewed in isolation, but only as complementary forces.

In recent times, despite an overall increase in world trade, the rise in export earnings of the developing countries has been only 3 per cent a year, far less than they require to sustain satisfactory growth and totally inadequate to meet the demands of increasing populations. One-quarter of their essential import needs are met by foreign aid. But, in addition to this aid, and in addition to the \$30 billion a year they are earning from exports, the World Bank estimates they could make constructive use, during each of the next five years, of some \$3 to \$4 billion more aid than they are now receiving.

#### Review of Aid Programme - General Policy

Relatively speaking, Canada is not a major contributor to the total volume of aid or financial resources flowing from developed countries at a rate of more than \$10 billion a year. Our aid can never be more than part of a broad collective effort. Surely, then, it is all the more important that our aid be used wisely, with maximum effect.

It was for this reason that I caused a searching review of the aid programme to be made earlier this year - a review to which many departments of government contributed and to which were applied the latest theories developed in the laboratories of the science of development assistance. That review has led to decisions concerning many important aspects of that programme: an expansion in the level of the programme; increased flexibility in meeting the financing problems of developing states; emphasis on aid to countries likely to achieve a significant rate of growth fairly quickly; participation in programmes producing benefits for many nations.





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As a result of these decisions, I can tell you that it is our intention progressively to expand the level of the Canadian aid programme from the current mark of around \$300 million to one more in keeping with our national affluence and our international obligations. At these higher levels, the terms of our assistance will be tailored to the various needs and abilities of the developing nations. The bulk of our assistance will be extended as grants or interest-free long-term development loans.

But, in recognition of the fact that there are some developing countries that are able to service loans on somewhat harder terms but which are unable to do so exclusively on normal commercial terms, we are introducing intermediate term development loans at 3 percent interest with a seven-year grace period and 30-year maturity. I think you will appreciate that, when these are added to our grant aid, the interest-free soft loans and the special long-term export credits, Canada will have considerable flexibility in its approach to the capital financing problems of the less-developed world.

As you may know, from the legislative point of view all the world's under-developed countries are eligible for Canadian assistance and we have had bilateral programmes, large and small, in 65 such countries. But a brief backward glance over our programme is sufficient to indicate that a major share of Canadian aid has always been allocated to a comparative few. Over 80 per cent of Canadian aid funds, for example, have been used to meet the needs of India and Pakistan, where the population exceeds that of Latin America and Africa combined.

At the same time, we have attempted to meet, as generously as possible, the requirements of a large number of the world's developing countries. Our assistance to such countries can often be more effective when combined with the efforts of others through the United Nations and other multilateral programmes.

In reviewing this policy, we came to the conclusion that this approach is sound and that it should be continued despite the availability of larger amounts of money under an expanding programme. The best advice of the World Bank, and such other aid co-ordinating agencies as the Development Assistance Committee of the OECD, supports our conviction that the course of reason is to provide the bulk of our bilateral aid to those countries which may be lifted, relatively quickly, to the take-off point of self-sustained economic growth.

Within this context, several factors govern the decisions which are made from time to time on the geographic distribution of the Canadian aid funds. Naturally, account is taken of our trading relations, our responsibilities in the hemisphere and the family ties of Commonwealth and of language. But, over and above this, we are guided by the existence of consortia and consultative groups established for particular countries by the World Bank and similar multilateral institutions, for it is in these councils that objective calculation can be made of a particular country's needs, applied both to the required volume of aid and the terms and conditions under which it should be extended.



You will be able to discern these influences at work in our allocations for the current year, which include in Africa such nations as Nigeria and Ghana and the French-speaking countries of Tunisia, Cameroun and Senegal, where we hope to move ahead with major capital-assistance programmes.

Particular attention is, of course, also being given to the needs of the developing countries in our own hemisphere - our close friends in the Caribbean area and, through the Inter-American Development Bank, those countries of Latin America which stand most in need of the type of assistance we can provide. As in previous years, a substantial part of our aid will go to India and Pakistan to be applied to projects and programmes which have been reviewed by the World Bank and other donor countries associated with us in consortia. We have been pleased to note the formation of similar consortia and consultative groups for such countries as Malaysia, Ceylon and Thailand.

This does not mean that we have ceased our partnership with other qualifying countries. Far from it. We have extensive technical assistance and educational programmes which are of proven value, and scholarships available in Canadian institutions for students from overseas who will make a real contribution to the development of their own nations. What it does mean is that the bulk of Canadian project and commodity assistance will go to countries where Canadian aid is likely to help in a decisive way the achievement of long-run development objectives.

It has been argued that Canada has not yet accepted its full share of responsibility in the collective aid effort, but I think you will see from what I have told you that we are moving, and moving rapidly, in the right direction.

Moreover, we must face the fact that our forward progress is taking place despite a feeling in certain quarters that limits have been reached - this feeling described so accurately by our Prime Minister as "a weariness with well-doing". To continue the pace of our advance we shall need the active support and co-operation of all sectors of the community.

#### Participation of Canadian Business

As a Government, we shall do our best to ensure that, through bilateral and multilateral channels, adequate financial resources are provided to enable the less-developed countries to develop and maintain their economic growth. As a businessman, looking forward to the day when these nations take their place as vigorous trading partners, I should hope that you would give the most careful consideration to ways in which you can join with us in this endeavour.

I should like to review some of the basic objectives of export credits and direct assistance, the part to be played by exporters and certain specific steps to facilitate the participation of Canadian business interests.

Members of this association will be aware of the facilities available under the Export Credits Insurance Act to assist in the financing of Canadian capital goods and related services. True, this is primarily support of the



Canadian exporter, permitting him to match credit terms offered by competitors in other industrialized countries. At the same time, ECIC resources do provide assistance to the developing countries in the sense that the terms available are a good deal softer, particularly in regard to maturity and grace periods, than those found in the market place - if, in fact, funds can be found at all. By the nature of things, these resources have gone largely to financing exports to developing countries. This is why statistics of such financing are included in the internationally-accepted measurement of the flow of financial resources from the developed to the less-developed world.

Unlike ECIC funds, the resources made available through the External Aid Office are voted by Parliament for economic, technical and educational assistance to developing countries. The initiative in the use of these funds rests with the government of the developing country. However, though not a primary purpose of the aid programme, it is worth remembering that this money is spent on the export of Canadian goods and services.

Naturally, this brings an immediate short-term benefit to the Canadian businessman, who thus shares the experience of his counterparts in other donor countries. At the moment, about 60 Canadian consulting and construction firms are working abroad on aid financed contracts and many millions of dollars worth of Canadian exports are being introduced or sustained in the markets of the developing countries. But there are long-term benefits of much greater significance, chief among them the creation of a wider range of global trading opportunity.

It can be demonstrated that Western manufacturers have increased substantially their exports on commercial terms to certain countries in the months and years that have followed the attainment of a measure of self-sustained economic independence.

One of our objectives is to encourage an increasing interest on the part of Canadian businessmen in our aid programme and to improve the ways by which they can participate in it. We want to help you to identify and take advantage of the opportunities our aid programme provides for you and we want to take more advantage of the specialized know-how which exists in your organization in selecting projects and establishing procedures which will most effectively employ our aid funds.

Canadian-aid financed goods and services must, of course, compare favourably in price and quality with those available in other industrialized countries. It is not in the interests of the Canadian export trade or in the interests of the developing countries to use aid funds to subsidize high-cost Canadian goods and services. We must also ensure that an adequate opportunity is available to all interested Canadian firms to compete for aid-financed exports. In the normal course, therefore, tenders or bids are sought from interested Canadian producers. In some cases, where a Canadian exporter has been the successful bidder following an international tender call, a decision to finance with aid funds the project or product in question does not need to be accompanied by a subsequent domestic tender call in Canada.

In these circumstances it is obvious that, if Canadian business is to make its full contribution, developing countries must be made aware of Canadian capacity. In the past, Canadian manufacturers have been encouraged to become more outward-looking and to take advantage of what your association has described as one of the best government trade promotion organizations in the world. We have seen the results. Now I would ask you to intensify your efforts to make known your abilities in less-developed countries of the world.

You should do this in the full knowledge that, quite aside from the Canadian programme, a wide world of financial backing is available for the priority development needs of these nations.

The Canadian aid programme, of course, is largely responsive in nature. Canada - or, for that matter, any aid-giving country - does not tell the developing country precisely what it must purchase with available aid funds. While we may, and often do, indicate the areas in which we think we have a particularly strong capability, we leave it to the government of the developing country concerned to decide for itself what Canadian goods and services can best assist in the fulfillment of its development plan.

You will appreciate that it is to the advantage of the developing country, as well as to ours, that requests to us for assistance are framed in the knowledge that Canada, in certain areas of business activities, offers the highest quality and the best price available. And we are constantly developing new ways to assist you, the Canadian businessman, and your counterpart in the developing world to make the best possible use of the aid-dollar.

### Specific Steps

I have already referred to the searching review we have made of our aid programme and the resulting decisions we have made to expand the amount of our expenditure, increase the flexibility of terms and use the bulk of our aid in a number of specific areas. Let me tell you now of several other specific steps we are taking to facilitate the increasing involvement of the private business community in our programme:

First, we intend to provide more information in advance to the business community as to the areas in which we plan to commit a major share of our aid. This will enable businessmen to be guided accordingly as to the areas in which their own efforts are likely to be most productive. I have already given you an outline of the areas which will receive the bulk of project and commodity assistance under the current year's programme.

Secondly, we intend to make more funds available to finance pre-investment surveys and feasibility studies.

Many low-income countries require much help in determining precisely the potential of their mineral resources, fields, forests and rivers. Many have only a limited knowledge of their industrial possibilities.



Feasibility studies or pre-investment studies are essential tools of long-range development in which Canadian engineers, surveyors and planners have been heavily engaged in recent years. These studies are not luxuries. Whether it is to explore the full social and economic potential of a huge section of land such as the Chittagong Hill tracts of Pakistan or the Guayas River Basin of Ecuador, or to determine the economic value of a proposal to build a railroad, as between Zambia and Tanzania, the study can be used to guarantee the best employment of a developing nation's small store of wealth.

There are continuing benefits to Canada, apart from the growing international reputation of the men who have worked upon such studies. The reports they bring back, which can be made public with the permission of the country involved, can be valuable guides to investment or to businessmen seeking new outlets for their products.

Additionally, this kind of reliable appraisal can be expected to attract capital from financial institutions such as the World Bank or from private lending sources, which might be used to finance Canadian exports. You will see this line of credit operation working shortly in our Latin American programme. I hope that similar arrangements can be worked out in other countries where a substantial Canadian aid programme is envisaged.

We will continue to seek the most effective procedure for purchasing and procurement.

Until quite recently, virtually all aid-financed procurement was done through the multi-step procedures of government buying. These procedures, I think, make good sense where public funds are being used by the Canadian Government to meet its own needs. In the implementation of the aid programme, however, they are often quite inappropriate.

To an increasing extent, therefore, we are leaving it to the government receiving Canadian aid to purchase under competitive conditions, or have purchased on its behalf by its own importers, Canadian goods and services approved for aid financing. This technique will go a long way toward the establishment and maintenance of lasting commercial relationships, involving high-quality goods and services produced in Canada with an adequately high Canadian content and available at competitive prices.

We have adopted improved methods for selecting consulting firms for pre-investment investigations and supervision of capital projects so as to ensure the most equitable distribution of their work among Canadian consultants and the most effective utilization of the resources they represent.

Under our new procedures, proposals normally will be sought from a certain number - usually three or more - of competent and interested Canadian firms, including, where applicable, any competent firm suggested by the aid recipient. This procedure, which is comparable to that followed by a number of other donors and such other institutions as the World Bank, the UN Development Fund and the Inter-American Development Bank, will enable a contract to be awarded to a Canadian firm interested in working abroad which has submitted the most favourable proposal from the point of view of operation, experience and availability of qualified personnel and equipment. This procedure will help to ensure that a Canadian consultant who has developed the project will be in a good position to secure the resultant business.



I have already pointed out that the initiative in the selection of projects for aid financing rests with the recipient. But, while remaining responsive to the changing needs of the developing countries, continued efforts will be made to maintain a balanced Canadian programme.

Canadian food aid has gone to the unprecedented level of \$75 million this year and places a great responsibility on the Canadian farmer. We are making heavy demands on the technical experts, teachers and educational institutions of Canada in an extensive programme of technical assistance. I have referred to the increased use which is being made of the services of Canadian consultants. All these contribute to a balanced approach, and we wish to maintain this desirable balance in the area of commodity supply.

In the first place, we have recognized the demand for imports of machinery and spare parts to serve current requirements and to stimulate the expansion of existing plants. Under our new arrangements, such goods are financed under what might be broadly described as lines of credit established with aid funds. India and Pakistan this year have the backing of several millions of aid dollars to be used at their discretion to buy, in Canada, such things as bakery units, tools and other equipment. This technique will help Canadian manufacturers to play a large part in the maintenance of the pace of development in these countries and will also introduce new Canadian exports into what we confidently expect will become, over time, growing markets.

Secondly, our revised regulations will enable Canadian producers and Indian and Pakistani importers to enter into long-term purchasing arrangements for the supply of such things as nickel, copper, fertilizer and fertilizer components, aluminum, asbestos, lead, zinc, wood pulp, synthetic rubber and newsprint. While the choice of the commodities to be financed will largely be left to India and Pakistan we will, of course, seek to ensure that an appropriate commodity balance is maintained and that a fair level of commercial purchasing is carried out.

I am sure that these arrangements will lead us towards the goal of increased efficiency, both at home and overseas. I need not stress that there can be no guarantee to a Canadian consultant engineer, interested in feasibility studies or project inauguration - nor to a Canadian producer or manufacturer - that aid financing will necessarily be available for his particular service or product. He must compete for the scarce resources available to the buyer and be in a position to demonstrate not only his capacity to contribute to economic development but that his product or service compares favourably in price and quality with his competitors in Canada and abroad.

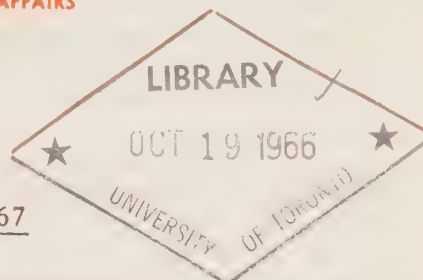
As responsible Canadian exporters you would not wish to have it any other way, but you can be assured that the methods and procedures adopted by the External Aid Office are designed to ensure that our aid programme is run on business-like lines, and that the legitimate interests of the Canadian exporter will be respected. Canadian development assistance must serve as a catalyst for private effort. Through our programme Canadian business will establish closer links with private enterprise in less-developed countries and play its full part in raising standards of life and well-being throughout the world in which we live.



# STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/39

CANADA AND THE WORLD - 1967

Notes for a Speech by the Secretary of State for  
External Affairs, the Honourable Paul Martin,  
to the American Society of Travel Writers,  
Ottawa, September 24, 1966.

It is my privilege tonight, on behalf of the Government of Canada, to extend a warm welcome to members of the Society of American Travel Writers meeting here in Canada's capital. I would be glad on any occasion to have you choose our country to hold your conference. As you will already have realized, however, there are particularly good opportunities, on the eve of our centennial celebrations and close to the beginning of the world's fair in Montreal, Expo '67, to learn something of the Canadian nation, its history, its attitudes and its aspirations.

It is not always easy for a Canadian to know where to begin in explaining some of the essential facts about his own country to an American. There are many fields in which we enter into an easy discussion with common knowledge and assumptions and without any need to make distinctions about national differences. There are so many obvious ways in which everyday life in our two countries is similar.

It is, therefore, doubly difficult to turn from what is easily understood and to present Canadian points of view which are not so obvious or expected so far as the visitor is concerned.

I am sure, however, that it is the differences which are of most intriguing interest to those from other countries. The lure of travel is the unfamiliar.

I cannot begin to suggest many of the distinctive features of Canadian life myself. You are visiting several Canadian cities, meeting many people and learning much of the detail about our centennial activities and about the broad Canadian and world vistas of Expo '67.

I am, however, speaking to you here in Ottawa and I am speaking on behalf of the Canadian Government. It was in a building only a few hundred yards from where we are meeting tonight that the first Government of the new Confederation was sworn in.



In a room not far from where I have my own office in the East Block on Parliament Hill, the members of that Government, under the first Prime Minister, Sir John A. Macdonald, assembled 99 years ago this summer to begin their tasks of consolidating and extending the interests and jurisdiction of a new nation. It was on Parliament Hill that the people of Ottawa, taking their part in the simultaneous festivities of four provinces, assembled on July 1, 1867, to celebrate Confederation.

From this city, successive Canadian Governments have managed the affairs of a nation whose original four provinces have grown to ten. The inscription on our coat of arms "A mari usque ad mare" expresses the perspective from which they have had to view the work done in this capital and, beyond it, the activity of Canada in the world.

It is appropriate, therefore, to say something of Canada from a national and an international perspective.

We have valued unity in broad decisions about the national destiny, based on an acceptance of considerable diversity in the national life. The four provinces of the Atlantic seaboard and of Eastern Canada which came together in 1867 represented two languages and cultures and a great diversity of economic interests and attitudes towards the new political association.

The responsibilities of a fairly small population for a vast territory, with the problems of economic development and communications which this entailed, were already onerous. As the new nation took over from Britain the responsibility for governing great new areas of the West and of the North, these tasks became immense.

But the work was done and a transcontinental nation was created. The lines of communication were established; immigrants came in from many countries with the varied talents and traditions which they were to add to the Canadian mosaic; the riches of the earth were cultivated.

This was done without changing to any considerable extent the nature of the peoples who contributed to the development. Uniformity was not an ideal. Important questions about relations between the two founding groups in the population were not all settled. Questions even of a constitutional nature between Canada and Britain, or concerning our direct entry on the international scene, were left for decision as the new country progressively took over all the attributes of its sovereignty.

There were, of course, unifying forces of considerable importance. The federal system adopted in 1867 provided for significant provincial responsibility but also laid the basis for a strong central government. In the decades which had elapsed before Confederation, during which the gradual steps towards responsible government and independence were taken, there had been some crises and difficulties but there had also been accommodation, experiment and reform. This trend continued after Confederation.



The creation of a nation in 1867 was not an act of revolution, nor did it involve rejection of an imperial power. The closeness of the remaining links in most fields was evident, but so was the inevitability of the march towards complete and formal independence and to the complete equality of status as we see it in the Commonwealth today. Canadians expected the familiar processes of political growth and change to carry them through difficult periods.

The tasks of economic development were a powerful stimulus to unity as well. Half a continent lay before the founders of our country and the exhilaration of the work that had to be done was a powerful force creating national feeling.

In spite of the obstacles it has presented to settlement, development and communications, the land itself, in all its splendour and immensity, has always been a powerful force felt by all. The romance of early exploration cast an aura of future greatness over the land and its inhabitants.

Sir John A. Macdonald was Prime Minister when the first rail-line reached the Pacific in 1885. He took his own first trip there very shortly afterwards and, in the excitement of the passage through the Rocky Mountains, insisted on taking his place out on the cow-catcher to miss nothing of the scenery. This is a feat which few of you, well travelled though you may be, are likely to emulate!

A couple of decades after that, another Prime Minister, Sir Wilfrid Laurier, came back to Canada after telling both the British and French about the virtues of his homeland. He told them "the blood of youth runs in its veins, it has faith in its future". He added "...Paris, with all its beauty, does not speak to my soul like the rock of Quebec".

The confidence which sustained Canadians in their settlement of the land and in its political development has carried the nation forward in many fields of war and foreign policy in the century which has elapsed since Confederation.

Canada did not feel itself divorced from an Empire after Confederation. In the long history of development, from Empire to Commonwealth, Canada has followed its own political traditions of securing independence and equality of status, while preserving the benefits of a close and unique form of association with nations located in all parts of the earth and comprehending many races.

The value of that Commonwealth association and the importance of the role Canada has been able to play in it have been apparent in the conference concluded in London only a week ago.

The Rhodesian problem is a most difficult one. We cannot yet foresee how it will be resolved. Nevertheless, the Commonwealth nations have acted in a vigorous and responsible manner to deal with the situation there and to preserve the principles of social justice and harmony, which are as essential to the survival of the Commonwealth as they are for the United Nations itself.

We have maintained and developed other historical relations of considerable importance to Canada. Although the direct political link between France and its colony on the St. Lawrence ended in the eighteenth century, French-Canadians remained strongly attached to the traditions and way of life which they had established in the New World and have always identified themselves with the world-wide associations of French language and culture.

In recent years, a number of steps have been taken to strengthen the historical links with France and to develop a relationship between that nation and Canada as a whole - not only French-speaking Canada - which will serve the interests of both under present world conditions. Consultations between governments and parliaments, measures to increase trade and technological co-operation, and cultural exchanges have formed part of this programme.

We are sometimes asked whether differences of viewpoint between France and its allies over NATO matters do not impede this strengthening of relations. Our answer is simple. We disagree with the French decision to withdraw from the structure of military integration set up within the alliance. We adhere to the conception of the alliance shared by the majority of its members.

But we must also consider the position and influence of this leading European nation and its capacity to contribute to a general lessening of tension in Europe. These would call for a particular effort to strengthen direct relations and to understand differing viewpoints even if we did not have our own special reasons for interest in France.

Relations with the United States have always been of major concern to Canada. Some people, and especially those who have little knowledge of Canadians or Americans, have insisted on seeing those relations in terms of inevitable antagonism or of the political, economic or cultural subordination of the smaller power to the larger.

Such allegations do an injustice to both Canadians and Americans. Canada of today has its roots, through New France and the Loyalist settlers who left the Thirteen Colonies, deep in the history of this continent. Our former Governor General, Vincent Massey, is a descendant of a Virginian family and our present Governor General, Georges Vanier, is a descendant of the settlers of New France. From the time of the American Revolution on, the northern half of the continent has followed a course of internal political development and eventually of independent national action in the world quite separate from that of the United States and dissimilar in a number of respects.

At the same time, we have shared with our neighbours to the south many of the characteristics of a New World society which were neither specifically American nor Canadian but North American. In these fields it is sometimes necessary to point out to visitors from other parts of the world who find us "Americanized" that it is just as true to say that Americans resemble Canadians as it is to say the reverse.

We have chosen freely, as a result of our independent calculation of our own interests, to seek friendship and co-operation in manifold fields of common interest with the United States. The peoples of our two countries take for granted the peace which they have shared for a century and a half and the multiplicity of personal contacts, institutional links and joint projects which are now commonplace.

The governments have entered into major projects of co-operation in continental defence and economic matters. On the other hand, the very closeness of our relations in the economic field creates some problems - for example, with respect to financial matters and the operations of subsidiaries of American companies in Canada. Sometimes there is surprise that, in these matters and in world affairs, Canada and the United States might adopt different viewpoints.

I do not know of any two countries, even among allies closely associated in many fields in the Western world, which always arrive at the same conclusions. I am impressed more by the fact that our two nations, which are different in many respects, in power, in world roles, in historical background, and in some of our internal political preoccupations, find so many avenues for successful co-operation and for manifestations of deeply-felt friendship.

Canadians respect the spirit in which the United States has assumed heavy obligations of leadership in the world and admire the generosity with which the American people have supported so many great causes. For our part, we have contributed in various ways appropriate to us to the search for peace and welfare in the world.

Since 1945, Canada has given its support to all major United Nations ventures and to none with greater willingness than those of peace keeping. As a medium power able to play both a military and political role in this field, Canada has supported every major peace-keeping undertaking of the United Nations. We have troops in the Middle East and in Cyprus and are now contributing, or have contributed, observers and assistance of various kinds to peace missions in other parts of the world.

Our membership since 1954 in the International Control Commissions in Indochina has been outside the United Nations in a formal sense but closely related to it in spirit. We have sought to exert any influence we could in the region as a whole, and particularly in Vietnam, towards peace. We have tried by other means and in close contact with those nations most directly concerned to explore the possibilities of achieving a negotiated settlement in Vietnam which would lead to permanent peace, to economic reconstruction and development, and to long-term stability in Southeast Asia, based on an accommodation of the interests of all the parties to the present conflict.

These are some of the main themes in Canadian foreign policy, Mr. Chairman, and in our history and national affairs. I hope that our guests will see them as a background to the activities planned for next year. We approach our centennial with thanksgiving for all that we have been able to achieve as a nation.



If you find us engaged also in reflection and debate over the implications of our commitment to biculturalism and bilingualism and over some questions of our constitutional structure, then this is neither new in Canadian history nor inappropriate for such an anniversary. We expect political change and adaptation as well as economic development.

The bells will ring out in communities across the country at the beginning of 1967. A succession of centennial events will take place during the year - exhibitions, military tattoos, a canoe pageant and race, cultural presentations, dedications, special projects and the re-enactment of historical events in pageantry. I hope that these will be seen by all as the outward manifestation of joy in accomplishment, as an assertion of identity and as a sign of confidence in the future.

We are fortunate that, in a national anniversary year, we shall be able to present to the world the latest - and, I hope, one of the most imaginative - of the series of world expositions which have both summed up and stimulated human progress.

The pavilions in Expo '67 expressing the main themes of "Man and His World" will transcend national frontiers to depict the prospects for humanity.

We are glad to be hosts to more governments than have ever participated before in a world exposition. The contribution of so many nations, the visits of heads of states and of governments and the presence of visitors from many lands will be a welcome testimonial to the breadth of Canada's links with the world community today. They will be a fitting culmination to 100 years of history of the Canadian Confederation.

Among the pavilions which are now being made ready for the opening of Expo '67, that of the United States is one of the most prominent, and I am glad to say that there will be representation from two or three States of the Union as well. We have long benefited from our close contact with the arts and sciences and with the generous democratic culture of the United States. To none of our friends do we offer a warmer welcome to join with Canadians in the celebration of a national and a world event.



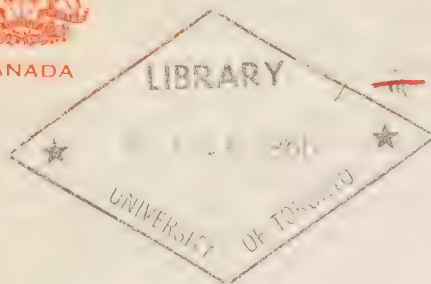
CANADA

## STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

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### THE UNITED NATIONS AS A POWER FOR WORLD PEACE

An Address to the United Nations General Assembly in New York on September 23, 1966, by the Secretary of State for External Affairs, the Honourable Paul Martin.

...It is my intention this morning to discuss several areas of endeavour which in the opinion of the Delegation of Canada demand our particular attention if the United Nations is to develop as an influential force for peace in the world. I propose to say something about the Secretary-General and his office, the problems of establishing international peace and security, including peace keeping. I propose to speak to you about the war in Vietnam, about disarmament, about economic and social progress and about the grave problems in southern Africa.

I should like, first of all, to pay tribute to the leadership and example of the Secretary-General. He has done much to inspire our joint endeavours over the past five years. He has said that no man is indispensable in the function which he himself is performing with such distinction. But, notwithstanding the difficulties to which he has called attention, the guidance which he has provided to our work, his sense of responsibility, his qualities of compassion and understanding and, above all, his capacity to speak and to act in the name of mankind, are indispensable to the United Nations. I really fail to see at this time how they can be separated from the person of the Secretary-General. His departure would be a heavy blow.

May I say, too, that I strongly endorse the determination of the Secretary-General to maintain and develop his office as a vital reality within the United Nations system. In this, he is following the tradition established by Sir Eric Drummond in the days of the League of Nations and by his own predecessors in the United Nations.

Let me turn now to those tasks which require our collective understanding and goodwill: first, the general subject of peace keeping. A year has gone by since the General Assembly established a committee to study all aspects of peace keeping. A year has passed, too, since it was decided that the financial difficulties of the organization should be overcome by voluntary contributions from the whole membership. My Government regrets that on both these issues the past 12 months have seen little advance.

Little progress has been made in resolving the financial problems of this organization. It may be that some governments are awaiting the outcome of the study of the Committee of Fourteen. This report is now before us, and I hope that those who have not contributed as yet will do so now.

However, perhaps even more important, in the long run, than the need to meet the financial deficit is the failure of the Committee we set up last year to come to grips with the task of completing its comprehensive review of the whole question of peace-keeping operations. It is easy to explain away this failure as an after-effect of the crisis which seized the Assembly two sessions ago, but we have had a year to think things over. Surely the time has come to solve this problem.

There are a small number of members which do not share the view of the majority about the nature and value of the contribution the United Nations has made -- a contribution which it can continue to make -- through its peace-keeping activities. My Government believes that the views of this minority must be respected, even if we do not share their views. We appreciate that we may have to accept the limitations thus imposed, particularly with respect to the positions held by some of the great powers on the principle of collective financial responsibility. But even if these limitations are accepted, there remains much to be done. Let me suggest some examples of what the Canadian Delegation believes can be done.

First, we think that the time has come to respond to the proposal put forward by the Secretary-General in 1964 that studies should be made on the means of improving preparations for peace-keeping operations.

Secondly, we think that the time has come for the Security Council and its Military Staff Committee to re-examine the possibilities for negotiating agreements with member states for the provision of armed forces, assistance and facilities to be made available to the Council in accordance with the provisions of the Charter.

Thirdly, we think that, without prejudice to any action which may be taken by the Security Council, member states should be encouraged to inform the Secretary-General of the kinds of forces or facilities they would be prepared to provide for duly authorized peace-keeping operations.

Fourthly, we have already agreed by a large majority in this Assembly that certain principles should govern the sharing of the costs of peace-keeping operations involving heavy expenditures. It should now be possible to convert these principles to uniformly applied practices.

We believe that measures of the kind that I have just described are in accordance with the Charter, and that they can be carried out without prejudice to the position of any individual member. My Government believes that action to maintain and strengthen the peace-keeping capacity of the United Nations will command the support of the majority of the membership, and we are ready, if that seems appropriate, to put forward specific proposals for consideration by the Assembly.



Experience has shown that the burden of meeting peace-keeping commitments has fallen on a small number of member states and has tended to go on and on. It becomes extremely difficult to terminate such commitments. Indeed, the price of peace keeping is small compared to the costs of war. I should have thought, therefore, that we would all be ready to pay our share of the cost. The risk of allowing existing operations to become ineffectual, or of failing to establish peace-keeping forces needed in the future, could well be very high. If this is acknowledged, it surely follows that support for, and contributions to, these operations should be more widespread, for the consequences of not supporting them might well turn out to impose heavier demands and graver dangers on the international community as a whole. In any event, I do not believe it is fair to expect that a minority of countries will continue indefinitely to bear the burden if the majority show little disposition to study the problems of peaceful settlement and to help share the costs of peace keeping.

Related to the subject of peace keeping is the question of the financial solvency of the United Nations. Canada welcomed the proposal of France at the last session that we investigate the financial and administrative practices of the organization. We were glad to participate in the ad hoc Committee of Experts appointed to make this investigation. We regard the report of the Committee of Experts as a document of the highest importance, and we shall press for the implementation of its recommendations, both by the United Nations itself, and by all the other members of the United Nations system. We hope, in particular, that the recommendations will lead us to focus our efforts on essentials by the rigorous application of priorities, and to adjust rates of growth of the United Nations and the Specialized Agencies in accordance with the availability of resources, both human and financial.

In our concern with the problems of peace keeping, we must not fail to give attention also to the fundamental question of the peaceful settlement of disputes. It was unfortunate that, at a time when the Security Council had before it a long list of disputes, some dating back nearly 20 years, the General Assembly was at the last session unprepared to act on a proposal for a study of the procedures of peaceful settlement. Surely we have everything to gain and nothing to lose from a careful examination of past procedures and an impartial appraisal of future possibilities.

I listened yesterday with the greatest interest to the statement of Mr. Goldberg. At the last General Assembly, my Government took the position that in the General Assembly we could not avoid a discussion of the war in Vietnam, and I was heartened yesterday not only by what Mr. Goldberg himself had to say about Vietnam but by the initiative he took, in discussing this matter in this forum, in inviting our participation in that discussion and in urging all of us, as members of this organization, collectively and individually, to do what we could to try to bring an end to this conflict.

Our concern with peace keeping and peaceful settlement seems all the more justified against the background of the conflict in Vietnam. This is, in the judgement of my Government, by far the most dangerous issue now facing the world.

Wherever armed conflict breaks out, it involves commitments of power and prestige and the longer it continues the more difficult it becomes to reverse the course of events, the more difficult it becomes to bring into play the machinery of peaceful negotiation and settlement. In the face of such a conflict, can the international community really stand by and allow matters to develop to the point where all avenues of peaceful recourse are irrevocably closed?

I considered last year, and I consider now, that this organ, this particular institution in the United Nations, as opposed to the Security Council, has the obligation to contribute to peace in Vietnam. I think it is inconceivable that we should proceed with our meeting as if this threat to the safety of mankind did not exist. Even if in present circumstances the Security Council cannot deal effectively with this matter and some other framework may be appropriate, I continue to believe that it is the duty of this body to express its deepest concern over the war in Vietnam. We must urge the path of negotiation on all involved. We must persist in this effort until negotiations are begun.

I know that there are differences between us about the origins of this conflict and how it can be brought to an end. I know how difficult the issues involved in this conflict are. For 12 years Canada has served, with India and Poland, on the International Commission in Vietnam. In that time we have witnessed at first hand the erosion of the cease-fire agreement of 1954. We have known, and we still experience, the frustrations of the observer who is powerless to prevent what is happening before his eyes.

The Secretary-General has been untiring in his search for a settlement of the conflict. In doing so, he has acted in clear and conscientious recognition of the responsibilities which attach to the world community in this difficult and vital problem.

There are those who say that the time for a settlement of this conflict is not ripe. For my part, I cannot accept this judgement. The road to peace in Vietnam will not be easy and it may not be quick, but a start on that road must be made.

There are different ways in which a start might be made. For our part, we are guided by a number of basic considerations. The Canadian Government has repeatedly emphasized in its belief that an exclusively military solution is not possible. We believe that only a political settlement which takes into account the legitimate interests and aspirations of all concerned and all involved can restore peace and stability in that country. In the interests of promoting a peaceful settlement, we ourselves have used all the diplomatic channels available to us to see whether there is any contribution we could make towards resolving the problem.

I have mentioned the role of my country as a member of the International Commission for Supervision and Control in Vietnam. We have attempted to develop our responsibilities into opportunities for constructive action. It still seems to us that the Commission, on which India, Poland and Canada serve, can provide a means of facilitating contacts between the two sides. We have also not excluded the possibility that the Commission might help the parties to scale down hostilities as a means of eventual disengagement.



It is discouraging to us that our efforts, like those of others, have not yielded the results intended. None the less, it continues to be the conviction of the Government of Canada that efforts to promote a peaceful settlement of this war should not, and must not, be abandoned, and, as I said a moment ago, I have carefully noted the statement made yesterday by Ambassador Goldberg and particularly the significant questions which he addressed to the Government in Hanoi. Against this background, it is all the more essential that channels for contacts between the two sides be developed and maintained to prepare the way for negotiations whenever they are possible. We also believe that such channels are important in circumstances where the risk of misunderstanding and miscalculation is ever present. In my Government's view, it is essential that the attention of the world community should not be diverted from the urgent necessity of a diplomatic solution. For these reasons, we believe that a continuing effort must be made through whatever openings may be available to us, individually or collectively, to explore any possible avenues that may lead to a reversal of the present course of events in Vietnam.

However, it is a fact that the capacity of this organization to play a useful role in the Vietnam conflict will be called into question as long as certain parties involved in that conflict are not members of this organization and are not bound by the terms of the Charter. I am not saying that, if they were members, the United Nations would be able to settle the conflict. I am saying that the organization would have a better chance of doing so if those parties were sitting here today. I know that there are fundamental obstacles -- great obstacles. Where two governments claim sovereign and, therefore, exclusive jurisdiction over the same people and territory and, more particularly, where each refuses any rights to the other, then we cannot oblige them to sit down together in these precincts. Nevertheless, I feel bound to say that there is a growing opinion in my country that, if this organization is to realize its potential capacities, all nations, and especially those which, like continental China, represent a significant portion of the world's population, must be represented here.

I noted what Mr. Goldberg had to say on this subject yesterday and I would like to think -- and I am expressing my personal view -- that he advanced the position of his country considerably in his statement of yesterday.

A solution to this problem of representation has eluded us for a long time; in spite of impelling reasons, I cannot say whether it will be possible for us to resolve this question within the next few weeks, or within the next few months. However, universality must remain our objective.

Peace keeping and, for that matter, all machinery for the peaceful settlement of disputes, is essentially responsive to specific situations. Men have long dreamed of a more positive concept, the development of a world-wide peace and security system in which individual nations would abandon possession of the means of waging war. This is all the more necessary in view of military developments over the past two decades, and especially the acquisition of devastating military nuclear power by a few countries.

So it is from the point of view that Canada has approached disarmament negotiations. We share, of course, the common objectives of an agreed system of general and complete disarmament which would give security to all nations and



thereby ensure our own. However, in present circumstances, we must pursue partial objectives both for their intrinsic value and as a foundation for future progress. This has been the function of the negotiations in the Eighteen-Nation Disarmament Committee since the last session of the Assembly. While we are disappointed that the Eighteen-Nation Disarmament Committee has had only limited success, we nevertheless consider that it remains the best available forum for the negotiation of arms-control agreements.

There is no cause more urgent than to prevent the spread of nuclear weapons. No single measure, however, will provide a solution. A series of measures directed to various facets of the issue will be required.

First, there is widespread agreement that a non-proliferation treaty is imperative. On the central issue of the definition of proliferation, we believe that the formula must prevent nuclear weapons from passing into the control of additional states or groups of countries. This should not be inconsistent with legitimate measures of collective defence. The exhaustive discussion of non-proliferation by the Eighteen-Nation Disarmament Committee in Geneva has made it quite clear what the obstacles to a final agreement are, and it is to be hoped that the great powers will find it possible to remove these obstacles and to leave the way clear for the agreement which the world so greatly wants and needs.

Secondly, as an essential corollary to a non-proliferation agreement, we think that the nuclear powers and the United Nations should urgently consider ways of extending meaningful guarantees to non-nuclear-weapon states who have foregone the right to acquire nuclear weapons. We think that such states should have assurances for their security against nuclear attack or the threat of it.

Thirdly, it is in our view essential that, if such a treaty is to be effective, and if it is to inspire confidence, some means of verification should be included. We have taken a stand at Geneva for a provision incorporating the mandatory application of International Atomic Energy Agency or equivalent safeguard to all international transfers of nuclear materials and equipment for peaceful purposes.

Fourthly, we must persist in our efforts to devise an acceptable formula for a treaty banning nuclear tests in all environments. To this end, Canada has sought to further the science of teleseismic detection by increasing our capacity to process data from seismic arrays and by supporting increased international exchanges of such data.

Fifthly, we support the efforts being made in Latin America and in Africa to establish nuclear-free zones. We hope it may be possible subsequently for such zones to be established elsewhere in the world where conditions are appropriate.

Sixthly, we believe that progress towards effective measures of arms control requires the participation of all the principal world powers in the discussion of these questions. We think that the non-aligned countries have a special role in trying to persuade the People's Republic of China to participate in such discussions.

Seventhly, we believe that the idea advanced by the Secretary-General in the introduction of his annual report -- for a comprehensive study of the consequences of the invention of nuclear weapons -- is an interesting suggestion which merits careful consideration.

As a member of the Eighteen-Nation Disarmament Committee, I am conscious of the frustration and discouragement that go with negotiations which seem to be getting nowhere. The fact is that we have no other choice. We must persist in these efforts, for the elusive prize is the peace we all seek, and failure, we know, could have tragic consequences for us all.

The maintenance of peace and security, of which I have been speaking, may be the first of our purposes under the Charter, but it is probably not the purpose which is uppermost in the minds of most of our peoples. They are concerned, above all, by their aspirations for greater well-being and dignity.

During the past 20 years an organized assault on the obstacles to economic and social development has steadily gathered momentum under the aegis of this organization. By contrast with 1945 (and Mr. Gromyko, who shares with me, and perhaps with very few others in this forum, direct experience of that period, will recall the time when aid to developing countries was no more than a tentative experiment in international co-operation, in 1965 more than \$10 billion in public and private capital moved to the developing world from the industrialized countries with market economies. A decade ago, the resources administered by this organization, or by the family of United Nations organs, amounted to \$186 million. Today they approach half a billion dollars annually. Measured by the standards of the past, then, the progress which has been made has been formidable. Confronted by the needs of the future, it is demonstrably not enough.

Frankly, I have been appalled at the recent projections of the world food situation. They reveal how drastically world food reserves have fallen in the course of the last five years, and how grave -- grave is the word -- is the prospect of an overall world food deficit no later than 1985.

For the immediate future, we must maintain the recent upward thrust in the flow of development assistance. In particular, we must devote much greater attention to short-term and long-term measures designed to cope with the problem of growing food shortages. While I recognize that aid is only one ingredient in the drive to accelerate the development process, particularly in the agricultural sector, I cannot help feeling that it will be a vital one.

In my country, we are trying to translate that conviction into action. We have diversified the nature of our assistance and the terms on which it is being given. Last year we supplemented our technical assistance and grant aid with soft loans, extending 50-year credits at no interest, with a nominal service charge and a ten-year grace period. This year we have gone further. The service charge has been abolished, our regulations governing the content of grant aid have been relaxed, and we have introduced a new category of loans, mid-way between hard and soft, which will be granted on a 30-year basis at 3 percent interest to countries whose economic circumstances so warrant.



Total aid resources available from Canada in the current fiscal year will be over \$300 million, having increased on the average by \$50 million a year since 1963. Subject to economic and other relevant circumstances, the expansion of the Canadian aid programme will continue. We have set our sights on the aid target of one per cent of national income recommended by the General Assembly. We shall do our utmost to reach it.

In the field of human rights, I am pleased to say that Canada has signed the Convention on Racial Discrimination. We regard this as an important addition to the body of law on human rights, because for the first time implementation measures have been incorporated which we believe may form a pattern for future legislation in this field. It is our hope that the adoption of this Convention will be followed by the completion of the draft Covenants on human rights and by the adoption of the convention on religious intolerance and the establishment of a United Nations High Commissioner for Human Rights. These additional measures would be a worthy accomplishment for 1968, the International Year for Human Rights.

We have given much thought to our contribution to the programme for the International Year for Human Rights in 1968, and we have decided that the most useful contribution we could make would be to subject our own record, our own practices, to critical examination, drawing on all the resources of the community for this purpose. Complacency is a disease from which we all suffer. So our objective will be to remove the vestiges of discrimination at home -- discrimination involving race, creed or sex -- and to strengthen the protection of human rights and fundamental freedoms by a continuing process of education and by subjecting violations to exposure and public attention. I am confident that we shall be able to carry out a programme of this kind successfully because of the enthusiastic support for the cause of human rights which is displayed by voluntary bodies in my own country.

A principal area of conflict over racial discrimination and the denial of human rights is unquestionably southern Africa. As a signatory to the Charter, we are concerned over the absence of progress towards the acceptance of the principle of self-determination in certain non-self-governing territories in Africa and by the stubborn denial by the South African Government of political and human rights. Non-self-governing peoples should enjoy these basic political, social and economic rights promised to them under the Charter and also by those who have given a sacred trust to help them towards self-government.

Canada is deeply concerned about the situation in Rhodesia. Since the illegal declaration of independence by the Smith régime, members of this organization have acted together with the United Kingdom Government to adopt various measures designed to end the present situation and to make it possible for that territory to move towards independence on the basis of majority rule. The great majority of governments at this table have co-operated in these measures.

Canada has refused to recognize the régime, has severed economic relations with it, has participated in an oil airlift to Zambia and is providing other economic assistance to the people of Zambia in the difficult situation created for them by the Rhodesian problem.



During the past few months, and the past few weeks, the members of the Commonwealth have anxiously and closely followed the developments in Rhodesia. The United Nations, for its part, has taken important, even historic, decisions.

The fact is, however, that the actions taken by the international community have so far failed to end the illegal régime. I am well aware that there are many who feel that in these circumstances the best answer is armed force. My Government has deep misgivings, however, about such an answer. Would the use of force achieve the results we desire? If not, might it not hurt those whom it was designed to help? This is the kind of question we must ask ourselves. We believe that we should concentrate on seeing that the measures now in operation are applied with maximum effectiveness and that they are strengthened and supplemented in areas where this is practical, so that constitutional government can be restored and independence on the basis of majority rule attained.

The communiqué of the Commonwealth prime ministers' meeting notes a British willingness to co-sponsor in the Security Council a resolution for effective and selective mandatory economic sanctions against Rhodesia before the end of this year, if the illegal situation has not ended by then, and gives full Commonwealth support for such a Security Council resolution. We think such a resolution would indeed be desirable, since we have noted that, although most governments are supporting fully the measures advocated in Security Council resolutions, there have been some instances where this is not the case. My Government is particularly concerned by the fact that some markets are still open to Rhodesian exports, especially minerals and tobacco.

At the forefront of the problems before this session is the question of South West Africa. Since the recent judgement of the International Court was not concerned with the substantive aspects of this question, it does not in any way invalidate previous advisory opinions on the accountability of South Africa to the international community. My Delegation is studying the various aspects of the problem with close attention and will indicate its position on whatever proposals are made as the debate on South West Africa progresses. An important concern of my Delegation will be the possibility of these proposals achieving their stated objectives.

The balance-sheet of our achievements is written each year in this debate. I have tried today -- too long I am afraid, however -- to show several areas of endeavour which demand particular attention if the United Nations is to develop into a potent force for peace in the world. But I suggest that our collective experience has revealed a number of useful lessons.

In the first place, it is clear that we must not allow great-power differences over certain admittedly very difficult issues to induce a fruitless passivity in the membership. We must continue to search for opportunities for initiatives which are both constructive and realistic.

Secondly, there is an evident need for the Assembly to re-establish the free processes of debate and negotiation on draft resolutions. Only in this way can we hope to promote agreements that will attract the meaningful support of member governments when it comes to implementation.

Thirdly, we need to exercise greater respect for the rights of others under the Charter. This involves restraint by the great powers in the use of their privileges; restraint by the smaller powers in the observance of orderly procedures; restraint, above all, in the pursuit of national objectives where these are at variance with the purposes and principles of our constitution.

Finally, on the eve of the hundredth birthday of my country, the Government and people of Canada pledge their loyalty and their support to the concept of the United Nations and to the ideals it symbolizes and seeks to attain for the benefit of mankind.

...The Secretary-General, the present incumbent, has the confidence of the Government and people of Canada. No man who has ever held this office, no man who has ever aspired to this office, has been so widely endorsed, as we know from events during the past few weeks. We all recognize, as we did three years ago, as the Security Council recognized three years ago, his great personal qualities. But added to this is the great authority which he has gathered in the last few weeks, an authority that we cannot dismiss, in the interest of this organization or in the interest of peace. This commanding authority could be of the greatest value in this critical time in human affairs.

I agree with what the Secretary-General said the other day about his concept of the role of the office of Secretary-General. This was the view, I well remember, of Sir Eric Drummond, in the League of Nations, and of Mr. Avenol, who succeeded him; it was the view of Trygve Lie and of Dag Hammarskjöld; and it is what is implied and implicit in Articles 99 and 100 of the Charter of the United Nations. The Secretary-General -- whoever occupies this post -- must be one who by personal quality and by capacity and by respect has an authority far beyond his own person, and that exists today, clearly and demonstrably, in the person of U Thant.

I have the strong conviction -- and I speak this way only because the foreign policy of my country is so embedded in this organization, and because I feel that in the immediate period this organization's future and integrity are involved -- that U Thant's personal attributes and his undoubted global moral authority could be a powerful force in helping to win the war in Vietnam, moving us on to universality in this organization and, I think, to sure guarantees for peace in the world.

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## STATEMENTS AND SPEECHES

*Canada* INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/41

### THE FUTURE OF SOUTH WEST AFRICA

Address by the Secretary of State for External Affairs,  
the Honourable Paul Martin, at the twenty-first session  
of the General Assembly of the United Nations, October 7,  
1966.

The complex problem now before the United Nations General Assembly has been for several years the subject of many discussions, reports and resolutions and of advisory opinions and judgments of the International Court. Let us admit candidly that very little progress has been made towards a solution. Nevertheless, my Delegation believes that we should redouble our efforts to achieve a settlement of this issue that would be in the best interests of the South-West Africans themselves.

For more than a week we have listened carefully to many views expressed in this debate. These views have varied in content and emphasis, but almost all have made a constructive contribution to a greater understanding of the issues involved in this extremely difficult problem. On September 26, a draft resolution was introduced (A/L483) in the name of 49 countries, and it is to this document that I wish to direct most of my remarks.

Before doing so, it is perhaps worthwhile noting that, from its very inception, the dispute over South West Africa has consisted of a complicated pattern of interwoven legal and political considerations. On one hand, there are the advisory opinions and judgements of the International Court concerning the 1920 mandate and South Africa's international accountability under it and, on the other hand, numerous reports and resolutions of the United Nations, specially those relating to human rights and fundamental freedoms as derived from the Charter.

The opinions and judgements of the Court have clarified usefully a good number of points of international law. However, general disappointment and concern at the Court's recent decision not to judge the substance of the case against South Africa prompted the Prime Minister of Canada to make the following observations to a Montreal convention on August 9 of the American Bar Association: "The Court's decision shows that the international legal system will have to evolve much farther if the rule of law in international conduct is to become a reliable instrument for regulating relations between states which it has become in governing the conduct of individuals within states. In the result, law and progress will both suffer. The fact that the



decision of the World Court in the South West Africa case may have the unfortunate effect of slowing down this progress cannot but be a matter of deep concern."

Draft Resolution A/L483 (now co-sponsored by 53 members of the United Nations) is deserving of careful study -- first, because it expresses the views of so many member states and secondly because of the important implications its adoption would entail for the United Nations. Canada supports fully the rights of peoples to the unfettered exercise of their self-determination and we strongly deplore the uncompromising attitude South Africa has displayed in regard to South West Africa. My country is opposed to apartheid as a policy of racialism which is completely contrary to the inherent dignity of man. We consider, moreover, that such a policy carries within it the seeds of conflict which endanger the whole concept of multi-racialism throughout the African continent. Thus my Delegation fully supports the basic aim of the draft resolution. We believe that South Africa has forfeited its right to administer the mandate. My Delegation has given serious consideration to how we can give effect to this conclusion. I sincerely hope the co-sponsors will accept the following comments as evidence of our desire to make a constructive contribution.

Some speakers have expressed concern that the General Assembly may not enjoy full legal competence to assume the mandate unilaterally. My Delegation tends to the view that, in the light of advice we have received in the past from the International Court, particularly as regards the international responsibility of South Africa, this Assembly has an adequate basis for the action proposed. We do recognize, however, that, to take into account the doubts expressed by some speakers, there might be an advantage in having this matter clarified, if for no other reason than that any lasting formula for peaceful settlement of international disputes should be based on international law.

Other delegations have referred to the practical problems involved in asserting United Nations authority over South West Africa and in assisting the peoples of South West Africa to independence. These problems include what measures might be required in the face of continued intransigence by South Africa. With these observations in mind, my Delegation subscribes fully to the healthy sense of reality which the distinguished Danish Minister of Foreign Affairs urged upon us. For instance, his suggestions concerning the necessity of sharing the economic burden on an equitable basis were particularly salutary.

In our view, the suggestion which has been advanced that the resolution might provide for the establishment of a committee to study these problems and make recommendations to the General Assembly within a reasonable time has much to commend it. My Delegation has been impressed in particular by the suggestions put forward by the distinguished representative of Ireland. If the idea of the establishment of such a committee should meet with general approval, the question of how the basic objectives of the draft resolution before us can be achieved might await the committee's recommendations. These considerations should invite the thoughtful attention of all organs of the United Nations and of each member nation.

I should like to assure the co-sponsors, however, that my Delegation is conscious of the necessity for some positive action by the United Nations which would preserve the inalienable right of all inhabitants of South West Africa to self-determination. By any reasonable standards, South Africa's policies under the mandate justify the general opinion that South Africa has proven to be an unacceptable administrator of the territory. In the view of the Canadian Delegation, we are not called upon here in this Assembly to make a juridical judgement as to whether in one respect or another the Government of South Africa has been delinquent in carrying out the mandate entrusted to it by the League. We are well aware, and the representative of South Africa reminded us the other day, that this is a matter which has been argued and contested before the International Court. What we are called upon to do is to make a decision in the light of all relevant factors as to whether the Government of South Africa, taking into consideration its refusal to accept accountability to this body, should continue to exercise the mandate in the interests of development and self-government of the peoples of South West Africa. We believe the answer is no. South Africa's long history of failing to pay regard to the rightful interest and concern of the international community for detailed reports of this administration has frustrated any meaningful international supervision, even to the degree required by the mandate. In the opinion of my Delegation, therefore, the record of South Africa constitutes clear grounds for stating that, in consideration of the well-being of the inhabitants of South West Africa, South Africa has lost the right to continue administering the mandate. For our part, the Canadian Delegation pledges to do what it can in the light of these comments to join with others in trying to work out how best the decisions of the General Assembly can be fulfilled.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/42

### A NEW SPIRIT IN DISARMAMENT TALKS

Statement by Lieutenant-General E.L.M. Burns,  
Canadian Representative on the First Committee,  
United Nations General Assembly, October 26, 1966.

A year ago, the Secretary-General of the United Nations pointed out that to halt the spread of nuclear weapons was the most urgent problem confronting this organization. The same view has been expressed by many world leaders in speeches before the United Nations and elsewhere. Spokesmen of my own Government have repeatedly called attention to the grave dangers to peace which could be caused if more countries acquired nuclear weapons.

If this problem was urgent a year ago, it is much more urgent today. In the 12 months which have elapsed since last we debated disarmament in this Committee, several countries have carried out further tests of nuclear weapons. The U.S.A., the U.S.S.R. and France have each conducted several nuclear tests and China, already an important military power, has given further evidence of her determination to develop her military nuclear capability. This makes it plain how important it is to bring all the present nuclear powers into active participation in international disarmament deliberations. With every month that passes, nuclear technology is becoming more widespread, and, with every reactor constructed to generate electric power, more fissile material adaptable for the manufacture of bombs is becoming available. The Canadian Delegation has long urged that action be taken immediately to curb the further spread of nuclear weapons, and to diminish the threat of nuclear war by ensuring that these weapons are restricted to nations now possessing them. Among possible measures, priority should be given to a non-proliferation treaty and to an agreement prohibiting all nuclear tests, whether in the atmosphere or underground.

To the Canadian Delegation, and I think to all of us, it must appear that the prospects for achieving agreement on non-proliferation are more favourable today than they were a year ago. At our meeting on October 20, we heard Mr. Federenko say: "There are no insurmountable difficulties for the solution of this problem". And later: "The Soviet Union is working consistently for the conclusion of an agreement on the non-proliferation of nuclear weapons without delay". Mr. Goldberg quoted what Mr. Gromyko, the Foreign Minister of the U.S.S.R., said after his recent meetings with President Johnson and Secretary Rusk: "Both countries, the United States and the Soviet Union, are striving to reach agreement to facilitate conclusion of an international agreement on this question". And Mr. Goldberg also quoted what President Johnson said on October 13: "We have hopes that we can find some language that will protect the national

interests of both countries and permit us to enter into the thing that I think we need most to do, that is, a non-proliferation agreement". I make no apology for repeating these statements, for they show, the Canadian Delegation believes, the increased determination of the U.S.A. and the U.S.S.R. to solve this problem, to come together on suitable terms for the provisions of a non-proliferation treaty. They show -- and we have other indications -- that there is a new spirit in the negotiations, a realization that the importance of achieving agreement on this sector of the disarmament problem greatly outweighs some of the considerations which have delayed progress heretofore. The Canadian Delegation applauds that determination. We are heartened to learn that a new series of talks has been initiated to work out terms mutually acceptable to the U.S.A. and the U.S.S.R. We welcome the prospect of further meetings between the two major powers which, assisted by the discussions in this Committee and in the ENDC, may result in an agreed text acceptable to all states concerned -- the nuclear powers and the states which do not have nuclear weapons alike.

While this year's meetings of the ENDC recorded no spectacular achievements, it is generally conceded that the discussions have been most useful in clarifying the issues that lie before the Committee. This was particularly true of the non-proliferation deliberations. Mr. Goldberg, in his address on October 20, outlined the areas where progress has been made: (1) progress towards understanding that collective nuclear defence arrangements do not and need not lead to proliferation; (2) progress in accepting the need for safeguards on peaceful nuclear activities; (3) progress in understanding the special problem of peaceful nuclear explosions; (4) progress in exploring ways to halt and indeed to reverse, the build-up of nuclear weapons stockpiles and delivery systems. We were encouraged by the generally high level of debate in the ENDC this year, and by the frankness of the exchange and by the helpful and constructive contribution of the non-aligned members of the Committee. In their joint memorandum on non-proliferation, they expressed their concern that an eventual treaty should reflect a balance of obligations and responsibilities as between the nuclear and non-nuclear countries and should lead to wider measures of arms control and general and complete disarmament. I think it fair to say that their point of view has been accepted by the other members of the Eighteen-Nation Committee. While the Canadian Delegation attaches the utmost importance to the early conclusion of a non-proliferation treaty, we regard it as only the first of many measures designed to stem the nuclear-arms race and bring us closer to our objective of general and complete disarmament. We welcome what Mr. Federenko said: "As it works for the non-proliferation of nuclear weapons, the Soviet Government does not in any way strive to consolidate and perpetuate the so-called nuclear monopoly of the nuclear powers. Such an agreement cannot and must not be regarded as an end in itself; it should be regarded only as a step towards the prohibition and destruction of nuclear weapons". And Mr. Goldberg said essentially the same thing.

The Canadian Government stands firmly committed to its long-established policy not to produce nuclear weapons, which has been well within our technical ability for many years. We are also committed to the conclusion of a universal non-proliferation treaty as the most urgent arms-control measure before the international community. There is considerable common ground between the U.S.A. and the U.S.S.R. draft treaties now on the table. We believe they are close enough in object and scope that we can reasonably expect conclusive negotiations



on the substance of a treaty. As far as the substance is concerned, we wish to see a formula which would ensure that the nations possessing nuclear weapons -- or nuclear powers -- be limited to the existing five, and that the control of nuclear weapons not be allowed to pass to other countries. We are satisfied that this can be done without interfering with legitimate defensive arrangements of alliances.

We think it important that a treaty include an effective provision for verifying that obligations undertaken are observed. Article III of the present U.S.A. draft treaty, which would call upon all signatories "to co-operate in facilitating the application of the IAEA or equivalent international safeguards on all their peaceful nuclear activities", would contribute both to the effective working of a non-proliferation treaty and the strengthening of the international safeguards system. If provision were also made for the application of international safeguards on a mandatory basis to all foreign transfers of fissile materials, as is indeed already the policy of the Canadian Government, a safeguards article would itself become an effective obstacle to further proliferation.

While I am on this point, I should like to refer to the following part of a statement made by the representative of Czechoslovakia at our 1432nd meeting: "At the tenth general conference of the IAEA in September of this year in Vienna, the Delegation of Czechoslovakia, together with the Delegations of the Polish People's Republic and the German Democratic Republic, expressed its readiness to accept agency guarantees for its nuclear installations if West Germany and other non-nuclear NATO members act in the same way". I think it would be of interest to members of this Committee to note the response to this proposal which has been made by the Federal Republic of Germany, as set out in a press release of today's date: "The Government of the Federal Republic of Germany has noted with interest proposals by Poland and Czechoslovakia to place their nuclear facilities under the safeguards of IAEA. The German Government appreciates the statements by Poland and Czechoslovakia as a significant step towards putting the use of nuclear energy under international safeguards also in states of Eastern Europe. The proposals by Poland and Czechoslovakia are being considered very seriously by the Government of the Federal Republic of Germany, together with other member states of the European atomic community."

The Canadian Delegation welcomes this evidence of increasing interest and of moves towards the extension of the safeguards of IAEA over various nuclear installations in Europe and elsewhere.

Since it is impossible to distinguish between the technology required for nuclear explosions for military and for peaceful purposes, we consider that the countries not possessing nuclear weapons should give up the right to conduct nuclear explosions for any purpose whatsoever. Such action on their part would, of course, have to be subject to an undertaking to establish a service under international supervision which would make available at a fair cost nuclear explosive services for legitimate civil projects whenever such explosions become technically and economically feasible, and provided they are consistent with test-ban treaty obligations. This would ensure that the benefits of controlled nuclear explosions would be generally available at minimum cost without incurring the drastic political and military consequences of the further national development of nuclear bombs.



We feel that it may be necessary to give security assurances to non-aligned countries over and above the general terms of the UN Charter. In this way, perhaps, any disadvantages of their accession to a non-proliferation treaty could be offset. Whether these assurances are to be provided within the context of a non-proliferation treaty or in some other way will mostly depend on the views of the countries concerned. We should, therefore, be most interested to hear the views of non-aligned members on the merits of the various alternatives which have been proposed, as well as any other ideas which they themselves may advance.

We believe that, as now revised, Draft Resolution A/C.1/L.368 on the renunciation of actions hampering the conclusion of the agreement on non-proliferation should contribute to establishing a favourable atmosphere for the negotiations which will be taking place here, in Geneva, and elsewhere and help expedite them. It was for this reason we decided to associate ourselves with the resolution as a co-sponsor.

While Canada is committed to a universal non-proliferation treaty, we by no means rule out the regional approach to non-proliferation. We therefore support, and should like to encourage, countries attempting to create nuclear-free zones in areas relatively free from grave international tensions. The efforts of the Latin American and Caribbean countries in this regard deserve particular praise, and we would also wish African countries success in their aspirations to make their continent a de-nuclearized zone.

Most countries, including the U.S.A. and the U.S.S.R., advocate an end to nuclear testing underground to complete the agreement which was reached in Moscow to prohibit nuclear testing in the atmosphere, outer space and under water. The difficulty, of course, is over verifying that all parties to the treaty shall respect obligations not to carry out underground tests. The position of the U.S.S.R. is that all underground tests anywhere can be detected by national means within national territories. The position of the U.S.A. and its Western allies is that, although considerable improvements have been made in detecting underground tests by seismological and other scientific means, yet a certain number of underground events still cannot be identified as either earthquakes or nuclear explosions. That is to say that if verification of a treaty were limited to seismological means alone, there would still be a possibility of a nation evading its obligations by carrying out clandestine underground tests. The U.S.A. position is that a small number of inspections at sites of unidentified events is necessary in order to be sure that obligations would be adhered to.

As I have indicated, there has been continuing effort to improve techniques for detecting and identifying of underground events. Possibilities of supplementing them are being explored. Canada supports the proposal put forward for this purpose by Sweden, which is that interested countries, primarily those not nuclear powers, should exchange seismic information. The proposed exchanges would take place principally among those countries with a sufficiently advanced seismological science and data-gathering or processing equipment, but results would be available to all. With information coming from many sources, individual countries would be in a better position to assess whether any suspicious underground event was natural or nuclear in origin. We attach importance to the participation of the nuclear powers in the suggested exchange and welcome their expressed interest. If the U.S.A. and the U.S.S.R., for example,

could provide information from sites close to indeterminate events to supplement information now available from distant monitoring, many more nuclear events could be identified.

It has also been suggested recently that the idea of so-called "black boxes", that is, sealed seismographic installations, could supplement distant means, and would make it almost certain that no clandestine testing could be carried out. We would hope that the U.S.S.R. will also agree to co-operate in examining such procedures which, in combination with others, might make it possible to break the deadlock in the underground test prohibition problem, and permit the successful culmination of the efforts which have been under way since the Moscow Treaty was signed. We have also studied with much interest other proposals made by Sweden, Mexico, Brazil and the U.A.R. in an effort to bridge the gap between the positions of the two major powers on this issue. We hope these suggestions will be carefully considered by those principally concerned.

Another proposal which, though not new, commends itself to Canada is to halt the production of fissile material for military purposes, popularly known as the "cut-off". Several nations besides the U.S.A. (which has elaborated proposals in this regard) appreciate that a verified halt in the production of fissile material for use in weapons would reverse the dangerous continual increase in the nuclear potential of nuclear powers. It would be, therefore, an anti-proliferatory measure mainly affecting nuclear powers, and would constitute a "balancing obligation" to the obligations nations without nuclear weapons would incur by signing a non-proliferation treaty. In our view, the cessation of fissile-material production should be seriously studied. It combines the quality of not endangering existing national security with the positive values to which I have just referred.

This brings me to the question of general and complete disarmament, which has not occupied very much of the time of the Eighteen-Nation Committee in this year's discussions, although it was not neglected entirely in the ENDC. We have always recognized that a disarmed and peaceful world is our final goal. But the same difficulties have always faced us when discussions of the U.S.A. and U.S.S.R. draft treaties have been undertaken. I think most of those in this Committee who have studied the matter at all know the positions of the two sides. It has been clear for a long time that the crux of the problem lies in the opposed conceptions of how nuclear armaments are to be reduced and then eliminated. It is also clear that little progress can be expected on this central problem until greater mutual confidence exists, so that the nations concerned can feel any nuclear-weapons reduction would not imperil the balance of our present security arrangements. It seems to the Canadian Delegation that we must look for some new, more hopeful means of initiating a process which will lead eventually, through increasing confidence on both sides, to general and complete disarmament. We favour the step-by-step approach because it seems illusory to think that significant disarmament advances will be made in any other way. The Canadian Delegation feels that a non-proliferation treaty, an underground test ban, the cut-off of production of fissile material for nuclear weapons and the reconversion of existing nuclear weapons and explosive material for peaceful uses would be important initial steps which could be followed by others and lead us towards the general disarmament which we have all declared as our goal. These ideas are some of the important, but by no means the only, measures

which should be given serious study here and elsewhere, in order that the impetus of the hopeful agreements of 1963 can be regained, so that we may move forward to more far-reaching stages of general and complete disarmament itself.

This completes the statement of the Canadian Delegation in the general discussion of disarmament. We have only touched on certain of the subjects on our agenda. We reserve the right to speak again when we have reached the stage of considering specific resolutions.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
CENTRAL DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/43

## CANADA AND THE NATIONS OF EASTERN EUROPE

Notes Prepared for the Secretary of State for External Affairs, the Honourable Paul Martin, in Connection with a Private Meeting Sponsored by the World Affairs Council at Boston on October 26, 1966.

. . . In little over a week, I shall be undertaking a 12-day visit to Poland, the Soviet Union and Italy. This trip will be in answer to long-standing invitations from the governments concerned. I expect to discuss relations between Canada and these countries and to review some of the leading subjects in world affairs.

. . . There are certain fundamental points about the present world situation, as we have seen it in Canada, which can serve as an introduction to my remarks:

- (1) In spite of the Vietnam situation, there appear to be possibilities for better relations with the Soviet Union and the European Communist nations which are worth exploring.
- (2) The policies of individual Western nations in this field may not always be the same, but this situation is not necessarily a weakness from the standpoint of general Western interest.
- (3) Although settlement of many of the greatest problems depends finally on relations between the United States and the Soviet Union, there can be significant discussion and action by lesser powers.
- (4) The search for better relations in Europe must almost inevitably at present be directed towards bilateral questions, but progress in this field is very likely to have an important bearing on the eventual solution of the underlying and general problems.
- (5) The European Communist nations seem likely to maintain a fairly vigorous and increasingly sophisticated campaign to achieve their objectives in relations with the West. Whether they fully intend this or not, they are likely to

experience significant internal changes. The Western nations cannot simply abandon the initiative to the other side or ignore the possibilities of accelerating or modifying such changes as are relevant to Western interests.

### Canadian Relations with European Communist Nations

I outline these points not as laws governing complex political situations but as impressions derived from experience.

\* Although Canada recognized the Soviet Union in 1924 and had a Soviet trade mission established in Montreal for three years after that, relations were scarcely developed in any very definite sense in the period between the wars. Trade was intermittent and erratic, subject to political problems and the considerable difficulties arising from differences in the trading systems.

The establishment of resident diplomatic missions in 1942 did open a new era in relations between the two countries, but friendship generated by wartime co-operation was affected by some of the severe political problems of the years immediately following the war. These missions were not headed by ambassadors between 1946 and 1954.

In the nine years intervening between that time and the noticeable East-West "thaw" of the summer of 1963, our experience was very much the same as that of most Western nations. The major world crises imposed definite limits on the development of friendlier relations, but there were some moves towards a more normal situation.

In 1955, for example, Mr. Pearson, who was then Secretary of State for External Affairs, visited the Soviet Union. In 1956, a trade agreement was signed which has been extended, at intervals, since that time. Certain contacts and exchanges did develop, of which the arrangement between the Canadian National Research Council and the Soviet Academy of Sciences in 1959 is a good example.

Elsewhere in Eastern Europe, where we had established missions in Prague, Warsaw and Belgrade soon after the war, our experience followed similar patterns -- except, of course, in the special case of Yugoslavia.

Since the Partial Test Ban Treaty of 1963 and related agreements, the possibilities of a move towards friendlier and more normal relations in all fields have certainly appeared greater. I give you the impressions derived from personal involvement.

You will be interested in the significant trends in our relations with the European Communist countries, particularly with reference to:

- (1) formal diplomatic contacts;
- (2) trade;
- (3) scientific and cultural exchanges;
- (4) political discussions.

We have started to expand the diplomatic representation in Eastern Europe first established during and shortly after the Second World War. Under an agreement in 1964 with Hungary concerning diplomatic relations and other matters, a Hungarian mission was opened in Ottawa and our Ambassador in Prague was accredited in Budapest. We hope to establish a resident mission there before too long.

Negotiations with Roumania and Bulgaria are under way which are likely to lead, in due course, to the exchange of diplomatic missions. This morning I had talks at the United Nations with the Roumanian Foreign Minister.

In the field of trade, more favourable political conditions in 1963 coincided with a period of agricultural failure in the Soviet Union. Wheat sales have always been an important part of Canadian commercial relations with Eastern Europe, but the years since 1963 have marked the first really big rise in our exports, chiefly because of Soviet purchases.

Since 1963, the Soviet Union has purchased wheat valued at approximately \$1 billion. A new three-year contract, worth approximately \$800 million, was signed this summer, the largest three-year commercial contract for a fixed quantity of Canadian wheat and flour ever concluded.

This contract, and the general Trade Agreement renewed this summer, mark important steps in Canadian Soviet relations. There are indications of continuing markets for wheat even in normal years and sales of industrial products and technology might be possible.

In the field of communications, closely related to trade and general contacts, it is important to note that the first air-transport agreement between Canada and the Soviet Union, establishing service between Montreal and Moscow, was signed this summer. The first direct passenger-liner service has just been established between the ports of Leningrad and Montreal.

Both these services have been established shortly before the opening of Expo '67 in Montreal, in which the Soviet Union, Czechoslovakia and Yugoslavia will be represented. One can appreciate, therefore, the cumulative effect of these developments in increasing contacts. Exchanges with East European countries in scientific, technological, cultural and informational fields, have generally been increasing. It is important to bear in mind that, because of geography and climate, Canada and the Soviet Union have a common interest in certain technological problems.

Finally, in this enumeration of the facts of our relations with the Eastern European nations, I would point to the exchanges of parliamentary delegations which have taken place in the past few years between Canada on the one hand and the Soviet Union, Poland, Czechoslovakia and Yugoslavia on the other. In addition to the normal diplomatic contacts in various capitals and in international gatherings, these exchanges have a genuine political value.

This summer, a delegation of the Supreme Soviet visited Canada. Its leader was Dmitri Polyansky, one of the two First Deputy Chairmen of the Council of Ministers and an important member of the Political Bureau of the Central Committee of the Communist Party.



This was the most senior Soviet group to have visited Canada. Their visit to seven of our ten provinces, and the extended tour by Mr. Polyansky of grain-growing areas in the West, will be of considerable importance in terms of the future development of technological exchanges and trade between our two countries.

Even more significant, perhaps, was the opportunity provided for frank political discussions of the respective policies of the Soviet Union and Canada.

### Political Dialogue

I do not suggest, of course, that contacts, exchanges and visits by themselves necessarily indicate that significant political discussion of the main international problems has increased. Progress in this latter area is inevitably much slower.

I do feel, however, that progress is being made. One of the reasons for this may be that Soviet representatives are trying to clarify certain difficult questions about relations between Communist and other nations.

I recall, for example, what the Soviet Ambassador to Canada, Mr. Shpedko, said, at a conference in Toronto two years ago:

"The principle of peaceful coexistence does not at all require from any state the renunciation of its established system and ideology. One should not identify the problem of ideological struggle with the question of relations between states. The main tenet of peaceful coexistence is to confine the struggle to the ideological level and not to resort to force to prove your point."

There are still many aspects of "peaceful coexistence" as proclaimed and practised which I find it hard to understand or which concern me. Canadians have had experience in recent years in the United Nations in consulting with Czechs and Yugoslavs over attempts to relate the principles of coexistence to the codification and progressive development of international law. It is not easy to reach agreement on some of these long-term ideological, legal or philosophical questions.

Nevertheless, I welcome the emphasis on specific questions arising between states. I think that the conditions for businesslike discussions of international affairs are improving. I value the impressions derived from contacts with individual leaders of foreign countries. I have found no hostility towards Canada in any of my recent conversations with Soviet or other East European representatives but, on the contrary, a real desire to develop new areas of agreement.

Perhaps the immediate prospects, for us as for other Western countries, are for agreements on marginal matters only. We are not likely to approach the central questions, however, except by successful solution of marginal matters, nor are we likely to solve the central questions eventually if we do not continually probe the current positions of the powers concerned....

### Role of Smaller Powers

... It might be objected that it is unrealistic to envisage any significant progress in East-West problems except in terms of the relations between the greatest powers - the Soviet Union, the United States, Communist China. Those making this objection might argue that, for the others, East-West relations mean only limited bilateral matters.

As the Foreign Minister of what is frequently called a "middle power", I do not want to exaggerate the role of lesser powers. Neither do I want it to be misrepresented from what I know in fact it can be.

Canada has a number of important interests which go beyond what one could call "bilateral" matters. I need scarcely remind you, for example, that with our geographic location and our vast Arctic territories we have a keen interest in all questions relating to the nuclear balance of power, to the regional defence arrangements, to disarmament and to arms control proposals.

We have been involved in the development of nuclear energy for some time and could have become a military nuclear power soon after the end of the last war if we had envisaged Canada's role in these terms. We have assisted several nations in developing the peaceful use of nuclear power, under the recognized safeguards.

Canada has been involved in disarmament discussions for some years and is a member of the Eighteen-Nation Disarmament Commission. In the Commission, along with all the other members, we have given particular attention to the ways of preventing further proliferation of nuclear weapons.

We have welcomed, therefore, the recent indications arising from United States-Soviet contacts that progress is being made towards agreement on non-proliferation measures. We consider that in the coming weeks the most promising line of approach to the problem may well be through direct and private negotiations between the United States and the Soviet Union....

... Specific Canadian interests in a number of fields of major international concern lead us, as similar interests lead other middle or lesser powers, to pursue any possibilities of discussion or action which could help in the solution of the major problems....

... The individual positions of Western countries in relations with Communist countries are never quite the same - whether one considers past history, specific national interests, matters of bilateral agreement or public opinion. Similarly, the Soviet Union and other Communist nations, in Europe at any rate, have to an increasing extent differentiated in their relations with Western powers. The differentiation may be based on some miscalculations about supposedly fundamental differences between Western powers but, so far as it refers to tangible questions of normal relations between states, it may offer avenues for progress towards a more rational and peaceful world.

I am sure that the leaders of Poland, Hungary, Roumania and other Eastern European nations would agree that the world of today is one in which there is a good deal the lesser powers can do towards those objectives. Yugoslavia chose its own special role some years ago in relation to what it considered to be national interests and international necessities....

### Asian Problems

... The necessity of encouraging the political dialogue between Western and Communist powers is clear when we consider some of the major Asian and European problems.

Since the beginning of the present United Nations General Assembly a few weeks ago, there has been a renewal of diplomatic activity concerning the war in Vietnam. The leaders of many nations have interested themselves anew in the possibilities for reaching a settlement.

I have discussed with Mr. Rusk and Mr. Goldberg our appreciations of the situation in Asia and the world as it affects the outlook for a settlement. I have discussed the possibility of constructive action by Canada as a member of the International Control Commission or in any other capacity. I have spoken to Mr. Gromyko on this same subject and I look forward to resuming conversations with him in Moscow.

This is not the occasion to consider in detail the complex nature of the situation in Vietnam or the various initiatives which could have some bearing on it.

So far as the situation on the spot in Vietnam is concerned, it is very difficult to predict the course of events or the nature of the military situation which would lead to a cease-fire and negotiated settlement. Canada has had civilian and military personnel in Vietnam for 12 years and has tried to make its contribution through the International Control Commission to the achievement of stability. Under present conditions, it is very difficult for the Commission to impose limits on the scale of the conflict.

We do think, however, that the Commission may have a part to play if the two sides were agreed on using it as an instrument for disengaging their forces on the ground. The Commission could also, no doubt, make a new contribution in the context of any eventual settlement of the Vietnam problem.

We cannot consider the Vietnam situation in isolation. We must consider it in the wider perspectives of the foreign policies of those nations chiefly concerned, of East-West relations, and of the world situation generally. The calculations and miscalculations made by leading protagonists about one another, the changing relations within the ranks of Communist nations, the role of neutral Asian nations and the plans for international action to confirm a peaceful settlement - all could play a part in influencing the course of events which we hope will lead to an early end of the conflict.



I cannot believe that the war in Vietnam must proceed inevitably towards a complete military victory for one side or the other. I cannot believe that the political discussions at world level are unreal or that diplomacy is irrelevant.

### China

I have spoken of relations with Communist nations almost entirely in terms of the Soviet Union and Europe. It is essential to recognize the special problems of Communist China and Asia.

Canada does not have diplomatic relations with the Communist nations in Asia. Outer Mongolia does not pose any problem of recognition but each of the others poses the intractable problems of a divided state and all are involved in the very great tensions which characterize the Far East today.

I cannot speak, therefore, of experience in normal relations. However, while we recognize the unique and difficult aspects of the Asian situation, Canadian policy has long been characterized by a desire to work towards normal relations and by a conviction that the problem of relations with Communist China was not inherently different from that of relations with the Soviet Union.

We have, therefore, engaged in substantial trade with mainland China on a basis of mutual advantage and entered into the direct commercial contacts necessary for major transactions. We have also encouraged contacts and exchanges in the scientific, educational and informational fields. Private citizens can visit China without difficulty, so far as the Canadian Government is concerned.

We have long hoped that an arrangement could be made which would permit the entry of mainland China into the United Nations, as one vital step towards a normalization of relations of the type which has been under way in Europe.

### European Problems

Finally, I shall, of course, be very much interested in the course of my trip to Europe to hear from representatives of Italy, our close NATO ally, from His Holiness the Pope, and from the leaders of Poland and the Soviet Union their impressions of developments in Europe - East and West.

At the Brussels meeting of the NATO powers in June, emphasis on improving East-West relations and on extending bilateral contacts with countries of Eastern Europe was one important element in the discussions. I have indicated how Canada views the prospects for contacts in its own case. Several Western countries have, since June, taken the opportunity, in visits or in official statements, to propose closer contacts with Eastern Europe.

President Johnson's recent statement about East-West relations was a notable contribution to these Western approaches. In the light of our own policies in this field, we naturally welcome a renewed effort by the United States, which could have a very important effect on the whole international atmosphere.

There have been few indications, of course, that progress could be made in the near future towards a settlement of the underlying problems of the European situation. Nevertheless, this is an area in which a number of countries might be able to help move the discussions towards a calm consideration of present realities and towards the tangible questions of inter-state relations in which the Communist countries say they are particularly interested.

We are faced in the European and North Atlantic area with the problem of security for the two groups of nations represented in NATO and the Warsaw Pact. We are faced with the problem of German reunification. Neither problem can be seriously considered without the other.

The United States, France, Britain and other Western nations have made attempts from different standpoints to promote a sober discussion of these problems. The Federal Republic of Germany has, in spite of the very great difficulties created by the division of Germany, made an important contribution to creating a better atmosphere by its steadily increasing contacts with East European nations. It has manifested its sincere desire, for example in a note of March 25, for peace, stability and security in Europe.

I hope that, as time goes by, we shall hear East European views on these matters, not conceived in ideological terms and dealing with the real problems which create tension in Europe today. I hope that the nations of Eastern Europe, with several of which Canada was allied in the last war, do not consider us lacking in a concern for their security when we try to achieve our own....

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 66/44

## CANADA AND JAPAN

Speech by the Secretary of State for  
External Affairs, the Honourable Paul Martin,  
to the Canada-Japan Trade Council, Calgary,  
October 31, 1966.

... It is scarcely necessary for me to emphasize that Canadian relations with Japan are important. The presence here of many representatives of commercial concerns provides abundant evidence of the significance that is being attached in this province, as in other Western provinces, to the contacts and exchanges we have with our Japanese neighbours across the Pacific. For instance, Premier Manning, Mr. Patrick, the Minister of Industry and Development of Alberta, and Mayor Dantzer of Edmonton paid an official visit to Japan last May.

I should like, however, to underline some of the reasons why relations with this major industrial power are important to our national interest.

I think it would also be appropriate for me to take this occasion to review some of the questions discussed at the Canada-Japan Ministerial Committee meetings earlier this month.

Our relations with Japan must be considered against the whole background of world affairs, past and present. Only in that wider perspective can we appreciate how the course of events since 1945 has brought us, along with many elements of turbulence in international affairs, some welcome developments towards sane, peaceful and prosperous conditions in the world.

The fact that the most economically advanced nations of Western Europe and of North America are now linked to Japan by so many common interests and concepts, both political and economic, is one of the most encouraging developments of recent years.

These nations of three continents base their actions in the world on United Nations principles. They have pledged assistance to the developing nations. They have not relied on any exclusive associations between them; they are separately associated with Commonwealth nations, with the nations preserving special links of French language and culture, with Latin America and with Asia.



They have made clear to Communist nations that no irreconcilable interests or unnegotiable conflicts need prevent the firm establishment of peaceful conditions and mutually profitable contacts.

Japan is a major economic power and the only industrially-developed country in Asia. It has a leading role in working with friendly nations to achieve a world community in which peace and economic welfare are firmly established in a way they have never been before.

I fully expect our own relations with Japan to assume increasing importance within this international context.

There are several specific reasons on which I base my expectations:

- 1) Our direct contacts with Japan, official and unofficial, are increasing rapidly in volume and variety.
- 2) There are opportunities for further substantial increases in trade between the two countries.
- 3) Both Canada and Japan are major trading nations and have many common interests and preoccupations with respect to trade and economic arrangements in the world as a whole.
- 4) Canada and Japan assign a high priority to economic assistance to developing nations and they are associated in agencies which co-ordinate and concert international efforts in this field.
- 5) We have an identity of interests and attitudes with respect to several of the problems creating the greatest political tension in the world today.

#### Official Relations and General Contacts with Japan

The recent meeting of the Canada-Japan Ministerial Committee in Ottawa proved that these arrangements for contacts and discussions, first agreed upon in 1961, are serving a valuable purpose. They deepen our understanding of one another's viewpoints and strengthen relations in a number of fields.

I am glad that, in addition to attending the meetings in Ottawa, our Japanese visitors were able to develop wider impressions of Canada from visits in Eastern Canada and the West Coast. For our part, we appreciated the opportunity, in discussions of international affairs, to arrive at a better appreciation of Asian developments derived from listening to Asian viewpoints.

These meetings reflect the wide range of official contact and common interests between Canada and Japan. In Canada, the Japanese Government is represented by its Embassy and by Consulates-General or Consulates in Halifax, Montreal, Toronto, Vancouver and Winnipeg. I understand that Japan intends to open a Consulate in Edmonton on January 1, further illustrating the importance Japan assigns to its relations with this province. In Japan, Canada is represented by one of the oldest, largest and most active of our missions overseas.

Fifteen officers from five government departments are stationed in the Embassy in Tokyo to deal with political, economic, defence, trade and immigration questions. Separate offices in Tokyo are also maintained by the Canadian Wheat Board, the Canadian Travel Bureau and the Department of Manpower and Immigration.

These contacts are supplemented by an increasing number of visits, both official and unofficial. The development of rapid and direct air communications by Canadian Pacific Airlines and the awards of fellowships and scholarships for study in Canada and in Japan have played an important part in stimulating contacts.

Canada has welcomed the fact that Japan will be a major exhibitor at Expo '67, and will itself participate in the next major international exposition, in Osaka in 1970.

#### Asian and World Problems

Both Canada and Japan attribute the highest importance to their membership in the United Nations and to the resulting obligations to support peaceful solutions to conflicts and to promote economic growth through co-operative international action.

The Canadian Government has expressed concern on many occasions about the conflict in Vietnam, in which it has a particular interest because of Canadian membership in the International Control Commission. We have also given particular attention to the question of mainland China's relations with Asian nations and with the rest of the world. In these and related political questions in Asia and in the promotion of economic growth there we see many of the principal problems affecting world peace and stability.

We have found it particularly helpful, therefore, to review these questions with Japanese representatives. They, too, are convinced that the issues at stake in the Vietnam conflict can be resolved only by recourse to negotiation. The Japanese Government considers that the central issue involved is the right of a country -- in this case South Vietnam -- to conduct its own affairs free from outside interference.

I am pleased that during the recent Ministerial meeting, the Japanese delegation expressed satisfaction with Canada's efforts to promote a settlement in Vietnam. They indicated that they were equally determined to find ways, appropriate to their own international role, to help resolve the conflict.

The Japanese delegation thought, as we do, that China must be encouraged to follow a more constructive course. We agreed that contacts and exchanges with that nation could play an important role in leading to international co-operation on a wider scale.

Japan has manifested its interest in peaceful progress in a number of ways. The normalization of relations with the Republic of Korea achieved recently, in spite of long-standing and deeply-rooted problems existing between the two nations, has been an important step forward towards stability in the Pacific. Japan has given encouragement to the Government of Indonesia in its

new course of seeking peaceful relations with its neighbours and of resuming international co-operation through the United Nations. On the initiative of the Japanese Government, a multi-nation conference was held in Tokyo recently to consider ways of solving Indonesia's problems of external debt.

Japan has played a leading role in the formation of the Asian Development Bank, has held a conference earlier this year on economic development in Southeast Asia and will hold a conference in Tokyo later this year on agricultural development in the same area. In this way, Japan is doing its part to work together with Asian nations for common stability and well-being, regardless of past differences.

It is important to note the contribution which Japan can make from its experience to the efforts of less-developed Asian nations. It provides a leading example of successful economic modernization. Japan has limited area and natural resources and a large population. In spite of these conditions Japan has, during the past 100 years, transformed itself from an isolated feudal state to one of the world's most advanced economic powers.

In the post-war period, it has combined the consolidation of a democratic society with the highly successful pursuit of economic development, which may already have brought it to the rank of the world's third largest industrial nation. The Japanese have shown a remarkable capacity to master industrial and commercial techniques, to adapt them to their specific needs and, increasingly, to develop, improve and extend technology from which others can benefit. In a cultural and social sense, too, they wish a synthesis of modern and traditional, of Oriental and Western, in order to develop the society best suited to their own circumstances.

With their creative vitality and working diligence, the Japanese have shown that rapid economic development, drawing eclectically on the experience of others, need not mean any weakening of their independent development of a unique way of life but rather a reinforcement of that independence. Surely, in essence, this is what we hope will happen in the whole process of economic development through international co-operation.

#### Aid to Developing Countries

The Canada-Japan Ministerial Committee reviewed the expanding programmes of both countries in the field of development assistance. The Ministers of both Governments stressed the urgent need for accelerated economic development in the developing areas.

I reported an increase in the Canadian programme, which will reach a level of about \$300 million this year. Subject to economic and other relevant circumstances, our programme will continue to expand. We are making good progress towards the aid target of 1 per cent of national income. In April of this year, Japan formally pledged itself to do the same.

We paid special attention to plans for the second United Nations Conference on Trade and Development, to be held next fall. We agreed that it was vital to ensure the success of that Conference. It is clear that special



efforts to promote a more rapid expansion of trade and industrial growth of the developing countries are also essential ingredients in the development process. It will be very important to focus attention on particular issues, on which practical results might be achieved.

It has been the Japanese experience, as it has been our own, that international discussions (notably in UNCTAD) are leading to an improved understanding of the magnitude and complexity of these development problems and of the directions in which more vigorous national and international efforts might proceed.

It is our hope that discussions in the "Kennedy round" of tariff negotiations will make an important contribution to the expansion of trade in products of special interest to developing countries.

Canadian and Japanese Ministers were particularly interested in prospects for the newly-created Asian Development Bank. This is likely to be an institution of major importance. Japan has taken a primary part in planning the operations of the Bank and has contributed \$200 million, a sum equal to that of the U.S.A. Canada has also made a substantial subscription of \$25 million to this new institution. This is over and above the significant Canadian aid programme under the Colombo Plan for countries in this area.

#### International Trade and Economic Relations

Canada and Japan have common interests also in fields affecting their own well-being as major world traders. They have a vital interest, for example, in reducing international trade barriers.

The "Kennedy round" provides the first real opportunity for broad tariff and trade negotiations between Canada and Japan within a multilateral context. It could thus constitute a major step in a further strengthening the trade relations between Canada and Japan and increasing and diversifying trade in both directions.

Both delegations at the Ministerial meeting emphasized the importance of obtaining significant improvements in access to each other's markets in the tariff negotiations. There will be difficulties, of course, in achieving agreement, but we hope, nevertheless, that there may be sufficient flexibility in the Japanese position to permit successful negotiation.

Canada and Japan also participate in the Organization for Economic Co-operation and Development, along with the United States and the countries of Western Europe. They support its objective of expanding world trade on a non-discriminatory basis, of achieving the highest sustainable rate of economic growth and of contributing to sound economic expansion in developing countries.

I believe that our views on another subject of current interest to the chief trading nations - that of trade with Communist nations - are close to those held by the Japanese. We believe, of course, that there are good economic and political reasons for engaging in this trade, provided that respective interests are reasonably balanced.

## Canadian Trade with Japan

Trade between Canada and Japan is, of course, at the centre of many of our discussions with Japanese representatives. It is very satisfying that this trade is already extensive and that there are reasonable prospects for its continuing to increase fairly quickly. Exports and imports will total about \$600 million this year.

In large measure, of course, the two economies are complementary. There has been an impressive increase in trade between the two countries during the period 1954-1965. Canadian exports to Japan increased more than three times and imports from Japan increased 12 times. Japan has become our third largest single export market and our fourth largest supplier. We should hope that, in addition to other factors stimulating trade, Expo '67 and the World Exposition in Osaka in 1970 would make their contribution to expansion.

## Possibilities of Improvement

It is natural that, with trade being conducted at very high levels by nations with as strong a desire for commercial expansion as Canada and Japan, there should be areas requiring discussion, some difficulties, and various promising possibilities of improvement.

I believe that there are four points with respect to which we might look for improvement or solution to some problems: 1) rate of growth; 2) make-up of our trade; 3) barriers to trade; 4) capital investment.

## Rate of Growth

In spite of the impressive increase in our trade with Japan during the last 10 years, it has recently been growing at a slower rate than our trade with the United States and some of our other major trading partners.

This may be owing primarily to a period of stagnation in Japan's domestic growth during 1965 and we are looking forward to a resumption of a higher rate of growth in our trade with the currently more favourable conditions in Japan.

## Make-Up of Canada-Japan Trade

We are concerned that our exports to Japan are largely composed of raw materials with little if any processing, whereas our imports from Japan are made up of highly manufactured goods.

Canada values its traditional exports to Japan, such as wheat, primarily foodstuffs and industrial materials, and we are glad to provide a continuing and dependable source of supply for many of the essential requirements of the Japanese economy. However, we are also interested in more rapidly developing our trade in manufactured goods, and we have found it particularly difficult to increase our manufactured exports to Japan, despite the fact that we have made striking progress in doing so in other highly competitive markets, such as the United States.

I think it natural that we should not want to see this situation continue indefinitely. Canadian representatives have expressed the view that both countries have a large potential for increased trade. They have also expressed the wish that this trade should increasingly take the form of exchanges of processed goods.

In some instances, of course, the reason for Canadian difficulties in selling manufactured goods lies in highly competitive production in Japan. In other instances, high tariffs or quantitative import restrictions have adversely affected exports. It is in this latter field that we should hope progress could be made.

### Barriers to Trade

The Ministerial meeting gave a good deal of attention to what representatives of the two countries considered to be the main barriers or restrictions to trade moving in either direction. It is some indication of the friendly spirit of the meeting that we could discuss frankly and in very specific terms the views of the two sides on these problems.

Canadian representatives described tariff barriers, quantitative restrictions and a variety of technical and administrative obstacles encountered by Canadian exporters. We naturally laid stress on our hope that ways would be found to overcome these obstacles, both in the multilateral context of the "Kennedy round" and in our bilateral discussions with Japan.

On the Japanese side, emphasis was placed on the difficulties which they have encountered in exporting to Canada, in particular the effects of the voluntary export restraint system.

We recognize that there are difficulties for the Japanese in applying export restraints of this kind, but have pointed out in our conversations with them that this system has unquestionably allowed a greater volume of sensitive imports into Canada than would have been feasible if Canada had had to set up import quotas. We have also pointed out that, in practice, Canada accords more liberal terms of access of imports of sensitive goods from Japan than does any other industrialized country.

Furthermore, the percentage of Japanese exports to Canada affected by these measures has rapidly decreased and now amounts to only 10 to 15 per cent of Japanese sales here. We are prepared to agree to the lifting of the remaining restraints as soon as they are no longer necessary to prevent disruption of Canadian markets - for example, in 1966 Canada agreed to the removal of transistor radios and certain textile items from the list of restraints.

I should add that there has been no question of restraints at all on an important range of exports from Japan developed during the last few years, where sales have increased very rapidly -- including such sophisticated products as cars, motor-cycles and cameras. I believe the recent Ministerial meeting was useful in clarifying the facts and our point of view on this whole problem.



### Capital Investment

The Canadian representatives pointed out that we very much welcomed Japanese investment, which had been particularly evident on the West Coast. There had, however, been some disadvantageous features about the flow of funds between the two countries.

One of our concerns is that Japan's controls have encouraged the flow of borrowed funds rather than equity capital into Japan and that investment authorizations are too often subject to lengthy delays. Thus Canadian companies investing in Japan have all too often been unable to secure what we would regard as an appropriate voice in the control over their investments in Japan. This is in striking contrast to the position of Japanese investors in Canada, who are free to invest here in any form they wish.

The Canadian delegation expressed the hope that the remaining restrictions on Canadian investment in Japan would be lifted as soon as possible and also that Japanese investors in Canada would take into account the desirability of increasing the degree of processing in their exports from Canada. The Japanese are now fully aware of our views on this matter and we are confident that they will be giving thought to these problems.

### Conclusion

I have pointed only to the highlights of the discussions on trade matters at the Ministerial Committee meeting. I cannot hope to suggest in this speech the detailed answers to many questions which may arise in the minds of some of those here today. I wanted, rather, to emphasize the wide range of commercial questions which, along with other economic and with political matters, are a normal part of Canada-Japan consultations.

One point which is particularly noteworthy is the obvious determination of our two countries to tackle trade problems in a spirit of goodwill and to adapt and improve the patterns of our trade which are so important to both of us. This determination is based on friendship between our two nations and a confidence in each other as trading partners.

I believe that this friendship and confidence provide evidence of the distance we have travelled from some of the unhappy periods in international relations in the past. On mutual confidence and on continuing efforts towards the effective solution of trading and development problems involving many countries, we can build the political trust which is the essential ingredient of world peace.

This is the path to which Japan and Canada are now committed.



# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/46

## A DIPLOMATIC TOUR OF EASTERN EUROPE

Statement by the Honourable Paul Martin,  
Secretary of State for External Affairs,  
in the House of Commons, November 17, 1966.

I should like to take this opportunity to make a brief report to the House on the talks I had during my recent official visit to Poland, the U.S.S.R. and Italy. When in Rome I concluded my exchanges with a valuable talk with the Pope.

In both Poland and the Soviet Union, I was cordially received. Their leaders listened to the Canadian views which I presented. We made progress on a number of bilateral matters. On some major international issues there was evidence of common interest. I should not, however, want to hide the fact that there is still a considerable distance between us in many important areas.

In all three countries my most extensive discussions were with the foreign ministers, but I also had the opportunity to meet and talk with many other leaders. In Poland I talked with Prime Minister Cyranciewicz and President Ochab. In the U.S.S.R., I talked with President Podgorny, Prime Minister Kosygin, the First Deputy Prime Minister Mr. Polyansky and General Secretary Brezhnev. Finally, in Italy, I was able to exchange views with President Saragat, Prime Minister Moro and Deputy Prime Minister Nenni.

The Polish Government is desirous of settling the long-outstanding matter of the claims of certain Canadians arising out of post-war nationalization, and we expect to enter in the very near future into detailed negotiations to that end.

We have agreed with the Soviet Union to enter into early negotiations for the conclusion of a comprehensive agreement on cultural, scientific and technical exchanges in order to ensure better reciprocity and to raise further the level of mutually beneficial exchanges between the two countries. We have also agreed on the opening of a Soviet Consulate-General in Montreal to deal with the growing flow of trade and persons both ways. It was agreed that Canada has the right to open a comparable office in the U.S.S.R. whenever it wishes.



It is true, as news reports stated, that Mr. Gromyko raised with me the questions of the extradition of alleged "war criminals" and the so-called "anti-Soviet campaign" in Canada. I explained to him the Canadian law on the former subject, law designed to protect the individual against arbitrary action. On the latter, I made it clear that there was not and had not, as suggested, been any "anti-Soviet campaign" inspired or encouraged by the Canadian Government. I pointed out that Canada is a free country and that the Government is not in control of the news media. I also urged Prime Minister Kosygin, on humanitarian grounds, to continue to facilitate the movement of close relatives from the U.S.S.R. to Canada in order to assist the reunification of families. I have every hope that there will be an amelioration in the reunification of families as a result of what Mr. Kosygin said to me. I sought to impress on him how much this means to Canadians who come from that part of the world.

In Italy, needless to say, my talks took place in the very easy and open atmosphere to which we have long been accustomed in our relations with Italy, our friend and ally. We were readily able to reach agreement on some bilateral matters and, in large measure, we found ourselves in agreement on the international issues.

I was happy to explain to Italian Government leaders the implications for immigration from Italy of the recent White Paper, and to assure them both of our great appreciation of the contribution made by the Italians who have already come to Canada and our hope and desire that the flow should continue. I signed with Mr. Fanfani an exchange of letters providing for the creation of a Canadian Institute in Rome. This, and the cultural agreement on which we agreed to open negotiations soon, will help greatly to enhance cultural and academic exchanges between Canada and Italy.

In all three capitals, I held useful discussions on the current problems before the United Nations and on the efforts being made at the ENDC and elsewhere to achieve certain partial measures of disarmament as tangible steps towards our objective of general and complete disarmament. I do not intend to report, of course, on the policy positions of the countries I visited with respect to these several questions. That is for them to do. But I did find everywhere a recognition of the importance of the further strengthening of the United Nations. I explained the Canadian stand on some of the current subjects before the organization, particularly our hope that this Assembly will be able to come to some agreement on peace keeping. Mr. Gromyko raised with me his Government's interest in the item on non-intervention in the internal affairs of other countries, and I assured him of our general agreement with this standard of international conduct, as well as our support for the principle of the self-determination of peoples.

The Polish and Soviet Governments, I conclude, are anxious, as we and the Italians are, about the possible further proliferation of nuclear weapons in the world. There have been recent bilateral discussions between the United States and the U.S.S.R. on the subject of non-proliferation, and the Soviet side assured me that they are anxious to arrive at a treaty in this respect. I already know from my talks with Mr. Rusk that this continues to be the wish of the United States. If this were achieved, it would be a



very important step which would undoubtedly contribute towards the reduction of tensions in Europe and other parts of the world.

I confirmed by my talks in Poland and the Soviet Union that there is in those countries a desire to work for a further détente in Europe and an improvement in the atmosphere there in order to create conditions for a satisfactory settlement of the outstanding European problems. I pointed out that, as a NATO member, this was very much the Canadian view. It would not be realistic to expect such a settlement to come quickly, but increasing contacts between East and West, such as the official visits which I have just made, will certainly help. I emphasized the Canadian conviction that our friend and ally the Federal German Republic was genuinely anxious to improve its relations with the Eastern European countries and to make its contribution to the détente.

I know that members will expect me to speak particularly about my discussions on Vietnam. Let me make it quite clear that I took with me to Warsaw and Moscow no simple, magic formula to bring about an end to the war. This is an infinitely complicated situation. There IS no magic formula, and I made that very clear to the people with whom I spoke. I put forward Canadian views repeatedly in great detail, and I explained forcefully, on the basis of our very intimate knowledge of the United States and its policies and on the basis of our abiding friendship for that country, why certain over-simplified suggestions which have been put forward from time to time for ending the war were not the most realistic way of moving towards a settlement, quite apart from the view one might hold of the merits of the case. I refer, of course, to the proposal for a unilateral decision to stop the bombing of North Vietnam, unconditionally and for good, without any indication as to what the other side might do in return to start towards de-escalation of the conflict or towards negotiations.

I put forward in considerable detail to the Polish and Soviet leaders Canadian views on the possible future role of the Vietnam Commission and certain suggestions as to steps which might be taken to lead us away from a military towards a political settlement. Our views were listened to most carefully. I am sure that they will be studied attentively in Warsaw and Moscow, just as we will seriously study the positions they took, and I hope that this, in itself, will be a modest contribution towards a solution. I cannot say that I detected the prospect of any immediate change in the views of these two Communist powers whose interests are so deeply engaged in the Vietnam question. But I am convinced that they are desirous of reaching a peaceful settlement, among other reasons for the beneficial effect this will have on East-West relations in general. Thus, despite very substantial differences between us, there seems to be some identity of view as to the desire to see the conflict brought to an end.

Poland and the Soviet Union were new to me. I must say that, even after this brief visit, I think the forces which help to shape the policies of their governments are more clearly discernible. I saw the reconstruction of the historic city of Warsaw, so hideously scarred by war. I saw ancient Krakow and the horror that was Auschwitz, now silent witness to the massacre of how many millions of the Jewish people. I saw Moscow, the vibrant capital of one

of the two most powerful countries on earth. I saw Leningrad, that creation of Peter the Great, which lost almost a million of its inhabitants in 900 days of wartime siege. And had it not been for bad weather, I should have seen Kiev, the historic capital of the Ukraine.

As I visited all these places and talked with their people, I further confirmed my assessment of what is taking place in Eastern Europe -- and there is certainly change afoot. My thoughts also turned instinctively to the hundreds of thousands of people in Canada of Polish descent, of Ukrainian and Russian descent. I understood their love for the countries from which they and their ancestors had come and I understood better some of the sources of the great contributions which they have brought to Canada.

I was honoured to be received in Rome by His Holiness the Pope and was again impressed by his wise and compassionate understanding of the troubles of the world, as well as by his great spirit of ecumenism which has done so much to bring the Christian churches closer together. His Holiness commended the efforts of Canada to bring about peace. I told him that the leadership which he and other great religious leaders were continuing to give to international collaboration met with warm support and appreciation in Canada. I can only say that I have the strongest hope that my talks with the Pope as with the other leaders will be shown to have yielded productive results.

In conclusion, I should say that members of the House will be gratified to know that in all the countries I visited there was ample evidence of the high regard in which our country and its people are held, and of a wish to work with us towards the objective we all endorse of creating a peaceful world.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/47

## CHINESE REPRESENTATION AT THE UNITED NATIONS

Speech by the Secretary of State for External Affairs,  
the Honourable Paul Martin, to the United Nations  
General Assembly, November 23, 1966.

The issue of Chinese representation in the UN is again before us. It has been before us in one form or another for 16 years. In spite of all our best efforts, the UN has not yet been able to discover a way out of the impasse in which it finds itself today.

One reason why better progress has not been made is that the options we have had before us do not reflect the real nature of the problem. The real nature of the problem is that the China of today is not the China of 1945.

One of the options which has been before us would have us ignore changes that have taken place altogether. It would have us act as if the People's Republic of China did not exist. It would have us continue to exclude from our deliberations and from the whole framework of internal co-operation a government which has the capacity to influence the shape of world affairs for good or for ill.

The other option also asks us to close our eyes to a part of the reality of the Chinese situation. It would have us do so by extinguishing for all practical purposes the international personality of a government which controls the destiny of some 12 million people, a greater population than that of three-fifths of the member states of this organization. That is why these options have not carried us forward. They do not take account of fundamental changes which have occurred in China since the UN was established. They do not point to a rational solution of the problem. They do not point to a solution which is in accord with that common interest which should be the basis of a world organization.

I do not think we shall ever be able to resolve this question on a reasonable basis so long as we proceed from the narrow conception of a contest of votes. If we are to proceed in the spirit of the Charter, any solution should be sought in terms not of contest but of consensus.

Only by agreement among ourselves on a way out of the dilemma followed by negotiated acceptance of a reasonable solution by the parties concerned can we hope to reach any just and satisfactory outcome. I do not suggest that this can



be an easy process or that what we in Canada have been proposing in our consultations is a short-cut to a solution. There are no short-cuts which do not violate both common sense and the spirit of the Charter. What I do suggest is that, unless we are to throw up our hands and turn away from our responsibilities, a start must be made in an effort to find a consensus on this issue.

What we have to decide at this point in time is this: are we content once more to choose--or refuse to choose--between a set of unsatisfactory options; or should we devote our full efforts and energies to a search for a constructive alternative?

We cannot afford to shelve this issue for very much longer if the realities of a diverse world are to find effective expression in the UN. I also want to make it clear that the Canadian Government, for its part, is not prepared to stand by and see this situation perpetuated indefinitely without doing our part to solve the representation issue at the UN. My colleagues and I have devoted much time in the last few months in an effort to open the way for a forward move on the question of Chinese representation at the UN.

I do not propose to linger over the question of importance on which we are being asked once again to pronounce ourselves. It has been the view of my Delegation in previous years that this is an important question, and we do not think that the passage of time has in any way detracted from its importance. It is important for the UN. It is important for the maintenance of international peace and security. And it is important, in the final analysis, because the people of China are important. My Delegation, therefore, does not propose to seek a resolution of this issue by denying its importance.

We also have before us once again the proposal of the Albanian Delegation and other co-sponsors. The intent of this proposal is to seat the representatives of the People's Republic of China in the UN. With this we are in full accord, but the resolution embodying this proposal goes on to stipulate that this be done by expelling the representatives of the Republic of China. The Canadian position on this resolution has been that two wrongs do not make a right. We can see neither sense nor justice in the UNGA denying to the Government of the Republic of China the right and responsibilities of UN membership or in withholding from its people the benefits of international co-operation. If we are to seek a rational and realistic answer to this problem before us, I cannot see that such an answer is to be found in terms of the Albanian resolution.

I wish now to turn to the third proposal which we have before us. I refer to the proposal tabled by the Delegations of Belgium, Bolivia, Brazil, Chile, Italy and Trinidad and Tobago. I do not think I am revealing any secret if I say Canada took an active part in initiating consultations which resulted in the tabling of this proposal. The countries with which we consulted are countries whose views of what must now be done appeared to us to be in general harmony with our own. I should like to take this opportunity of expressing to the representatives of these countries our sincere appreciation of the efforts they made to accommodate themselves to our approach to this issue. I should like particularly to pay a tribute to the U.S. Delegation for the spirit in which they

endeavoured to meet our position and to say that I fully appreciate the value of the U.S.A. being able to announce its support for this alternative resolution.

It is a matter of great regret to Canada that the proposal which has emerged as a result of our joint deliberations is not one which in our view goes far enough in charting the course which this UNGA should now take in the interest of the UN and that of the larger world community.

The proposal before us provides for the establishment of a committee to explore and study the whole situation pertaining to Chinese representation and to make appropriate recommendations to the next session of the UNGA. This proposal represents very little forward movement over a similar proposal which Canada initiated at the fifth general session of the UNGA in 1950. I should have hoped that with the experience of the intervening years, this twenty-first session of the UNGA might see its way clear to laying down a much more specific mandate by which the proposed committee would be guided in exploring the elements of an equitable solution of this question. In the absence of such a directive, I fear that much valuable time may be lost by any committee which this Assembly will establish.

I should like to say that I have been disturbed by some of the statements which have been made concerning the tasks of the proposed committee. I want to make it clear that what is now required, in my view, is not a matter of study or research. What we look to the committee to do is to act on behalf of this Assembly in mapping out a viable solution and paving the way for forward movement on this issue. This, surely, is the basis on which the committee must pursue its endeavours if it is to make the sort of recommendations which we have the right to expect it to put before us at our next session.

It has been suggested that one question which should be put to the Government of the People's Republic of China is whether it is willing to be seated in the UN. I am quite ready to acknowledge that statements which have come from Peking have been such as to implant real doubts in our minds about the general attitude of the Government of the People's Republic of China towards the workings of the UN. On the other hand, countries friendly to the Government of the People's Republic of China have, in successive years, tabled proposals aimed at the seating of that Government in the UN. We must assume, I think, that this would not have been done without Peking's consent.

It has also been suggested that the Government of the People's Republic of China be asked whether it is willing to adhere to the obligations of the Charter of the UN. Now it is obviously of greatest importance that all member governments respect and observe the obligations of the Charter. The question is properly put in accordance with Article 4 of the Charter to any state which is applying for membership in the UN. But China is a member state of the UN. The issue before us is not one of admitting China to membership. It is, rather, how China as a member state can be represented in our midst in such a way as to reflect the realities of the present political situation.



But I can see a further drawback to this whole procedure of asking questions at this stage. I would submit that the real responsibility of any committee we appoint is to devise a basis on which this Assembly would consider it reasonable for the people of China to be represented in our midst. The time for asking questions is after, not before, such a basis has been devised. The real responsibility which is ours is to formulate proposals which can be put to the parties in full confidence that they represent a reasonable approach to this issue. We can commend our proposals to the parties but we cannot compel their acceptance. At the very least, however, we should have absolved ourselves of the responsibility for perpetuating a situation which lacks the elements of common sense.

In providing guide-lines to an appropriate solution, the proposal before us refers to "the existing situation and political realities of the area".

What are these realities? Among the most important are the fundamental changes which have taken place since the founding of the UN. When the Government of the Republic of China signed the UN Charter, the island of Taiwan was under the control of the Government of Japan. By 1949, a revolutionary upheaval on the mainland of China resulted in the removal of the Nationalist Chinese Government to Taipei and the establishment of a Government of the People's Republic of China in Peking. The real situation since then has been, and continues to be, that we have two governments exercising control over two areas of territory each claiming to be the government entitled to the Chinese seat in the UN.

One of these is the Government of the Republic of China, with which Canada has had long and close diplomatic relations. This Government has been a member in good standing of this Assembly and its subsidiary bodies ever since the founding of the UN. It controls a territory whose economic development can serve as a blueprint for progress in other developing countries. Its representatives have played an important part in the economic and social organs of the UN and in programmes which are designed to raise the standards of living throughout the developing world.

The other Government, the Government of the People's Republic of China, which controls a far greater area and a far greater population, is not represented here and never has been. This is a situation we deplore, both because we firmly believe in the principle of universality and because we believe that lasting solutions to certain important problems facing the world community today cannot be found without the participation of the Government of Peking.

The Canadian Government, for its part, has consistently, both by its statements and by its actions, done whatever it could to encourage mutually-advantageous contacts between Canada and continental China and, for that matter, between it and the rest of the international community. This position should not, of course, be considered by anyone to involve any endorsement of the policies or ideology of the Peking regime.



I do not believe that this Assembly has the right to pronounce judgment on conflicting territorial claims of these two governments. I think that the decisions or actions of this Assembly on the Chinese representation issue should be without prejudice to the eventual settlement of that dispute or to the view strongly held by both governments that China is a single sovereign entity. But, if we have no rights in that regard, we do have a moral obligation under our Charter to see that, pending a final settlement of this dispute, we make the sort of arrangements in this Assembly which will allow maximum participation of the people of China in the work of the UN without depriving those who already belong of the voice to which they have as much a right as anyone else in this Assembly.

How do we do this in practice? The essence of the position which we have been advocating is that the representatives of both governments should be seated in this Assembly. This could be done as an interim solution pending settlement of the jurisdictional dispute between the two governments. We believe that such an interim solution should be reflected in all organs of the UN and the Specialized Agencies.

I should also go one step further than this, and suggest that, if the study committee is to make a realistic appraisal of the problem, it should include in its recommendations some reference to the Security Council. I realize full well that the Assembly cannot impose its views on the Security Council. I do not think, however, that any credible proposal for a solution of this issue can afford to ignore the problem of the disposition of the Chinese seat in the Security Council.

It was with these practical requirements in mind that the Canadian Delegation, in the course of the consultations we have held, suggested the following guide-lines as the basis for a reasonable interim solution: First, the participation of the Republic of China in the UN General Assembly as member representing the territory over which it exercises effective jurisdiction; second, the participation of the People's Republic of China in the UNGA as member representing the territory over which it exercises effective jurisdiction; third, the participation of the People's Republic of China in the Security Council as a permanent member.

I want to make it clear at this point that the solution we envisage is in no way intended to imply the existence of two Chinas. Both the Government of the People's Republic of China and the Government of the Republic of China firmly adhere to the conception of one China and it is not for the UN to propound conceptions which are at variance with the hopes and aspirations of the people of a member state. This is an internal matter, which is for the Chinese people to resolve and from which the UN, in accordance with clear dispositions of the Charter, is bound to stand aside.

Some 11 years ago, my Delegation was instrumental in helping to break the deadlock which then debarred a substantial number of states from being admitted to membership in the UN. The action we took at that time was prompted by our concern for the principle of universality which was so eloquently commended to us in the memorable address given in this Assembly last year by

his Holiness Pope Paul VI. In his words: "Once more we repeat our wish for you: 'Go forward'. We shall say more: 'Strive to bring back among you any who may have left you; consider means of calling into your pact of brotherhood in honour and loyalty those who do not yet share in it. Act so that those still outside will desire and deserve the confidence of all; and then be generous in granting it'."

We are under no illusion that a more genuinely universal organization will necessarily be able to solve all the problems to which solutions have stubbornly eluded us so far. On the contrary, we do not exclude the possibility that the injection of new and perhaps radically different points of view may -- in the short run at least -- retard rather than accelerate the momentum of our work.

But there are advantages in the conception of universality which we cannot discount. Even if a more broadly based UN is not able to find solutions to some of the crucial problems of peace and security which confront us in the world today, it will at least have established a much better claim to bringing these problems within the framework of its discussions. Moreover, it seems to me that, if the UN is to be "a centre for harmonizing the actions of nations" in the attainment of common ends as the Charter intended it to be, then it must be concerned to bring into its deliberations at least those nations which are bound to have to assume a major share of responsibility.

By way of conclusion let me say this. Canada believes that we must stop marking time on this issue. We must try to end the stalemate which has attended our discussions for a full 16 years. We think the proposal to set up a committee falls short of what is required at this time in the way of specific directives. Nevertheless, the committee does afford us an opportunity of moving forward if we are prepared to seize that opportunity and provided the committee is so constituted as to enable forward movement to be made.

We think that what is at issue here is the capacity of the UN to live up to the purposes of the Charter to represent the world as it is and to bring the great weight of its influence to bear on the issues of peace and security. Although, in the nature of things, we can only move forward on the basis of resolutions, I think I have made it clear that, in our view, this issue is not amenable to solution on that basis alone. It will require the exercise of diplomacy, goodwill and accommodation on all sides, both within our organization and without. If that is the spirit in which the solution of this issue is approached, then I am not unhopeful that we may be able to unblock the road to progress towards making the UN a more effective, a more representative and a more credible forum of international deliberation and action.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION

*Canada* DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 66/48

## THE CHINESE ISSUE AT THE UNITED NATIONS

Part of a Speech by the Secretary of State for External Affairs, the Honourable Paul Martin, to the Toronto Junior Board of Trade, November 29, 1966.

...What has rightly been called the "Canadian initiative" of last week at the United Nations started out several months ago with a series of diplomatic consultations with many friendly countries. These discussions were pursued in Rome on the eve of my trip to New York. There arose no specific consensus as a result of these talks but a broad understanding that there should be an attempt to move away from the past inertia.

What I did basically last week in my New York speech was to reject the traditional framework in which that issue has presented itself at the United Nations and to put forward new ideas on how the problem could be solved. We refused to go along with the position which denies that mainland China exists. We also refused to agree with the idea that the existence of Formosa should in future be ignored by the international community. We indicated our support for a new proposal designed to set up a special committee of United Nations members to explore the situation and to report to the next United Nations General Assembly. Although we played an active part in initiating consultations which led to that proposal, we unfortunately had to make it clear that it did not go far enough in meeting our objectives.

While affirming the right -- indeed, the duty -- of the two governments directly concerned to resolve the dispute which divides them, I put forward a proposal which we think reflects the fundamental realities of the situation. We suggested the following guide-lines as a basis for a reasonable interim solution: participation of both the Republic of China and of the People's Republic of China in the United Nations General Assembly as members representing the territories over which they exercise effective jurisdiction, and the participation of the People's Republic of China in the Security Council as a permanent member.

We did not expect a majority in the United Nations or even a large number of countries to rally immediately around these proposals. Audacious suggestions are seldom accepted overnight; they may take a long time to succeed. Although we think our proposal is a perfectly realistic and sound one, it may be that, in the course of time, its main virtue will prove to have been the impetus it gave to fresh thinking on the issue. It is quite clear that such ideas must



be given time to germinate. I am satisfied, on the basis of conversations I have had with representatives of several countries since we have put our suggestion on record, that they recognize the merit of our proposal and consider that it has already had its effect in starting a new train of thought.

I firmly believe the United Nations will not return to its previous immobility on this problem. The door has been opened. A consensus may be developing. This is what we had in mind. You cannot resolve a question like this merely by votes in the General Assembly of the United Nations. What has taken place in New York during the last few days -- and we have been in the forefront of those developments -- has given an impetus towards the essential efforts which must be made outside the United Nations by the parties primarily involved. These parties, together with other countries like the United States and Japan, must eventually achieve an agreement or an arrangement which would then be followed by formal action in the United Nations.

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CANADA

## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/1

### CANADA AND THE WORLD ECONOMY

Speech by the Secretary of State for External Affairs,  
the Honourable Paul Martin, to the Vancouver Board of  
Trade, January 18, 1967.

...In this, the centennial year of Confederation, Canadians everywhere have an opportunity, and a responsibility, to take a hard and searching look at where we have come, where we are, and where we are going. It is in this spirit that I speak to you this evening.

In particular, I wish to speak about the present and potential economic role which Canada plays in the world.

No nation can do justice to itself, or its citizens, or the world community of which it is a part, unless it develops its economic potential to the full.

At the end of our first 100 years as a nation, we must be thankful for the high degree of economic prosperity which is ours and which has placed us among the leading nations of the world. Now, if I may borrow a phrase from the title of that very fine book published by the Canadian Confederation Centennial Committee of British Columbia, we face, not only in British Columbia, but in all of Canada, a real "Challenge in Abundance".

The challenge is threefold: to go on realizing our abundance more fully; to ensure that the benefits of our abundance are enjoyed by all; to see that our abundance is used effectively in the service of mankind, and in accordance with lasting human values.

It is hardly necessary to emphasize to you, members of this city's Board of Trade, that the first responsibility for meeting the challenge of economic development in this country rests with private initiative and enterprise. Yet the role of government, and certainly the national Government, is vital if economic growth is to be maintained. Nowhere is this more true than in the field of relations between Canada and other countries.

One of the most striking features of the past few decades has been the extent to which the interests of nations have become interdependent. We have always, of course, been affected by the actions of others. But now the earlier simple and limited relations between states have given way to a complex and pervasive system of interrelationships which any government ignores at its peril.

As populations have expanded, as technology has advanced, as economies have developed and matured, economic activity has spilled more and more across national borders. Here in Canada we are particularly aware of this trend, and of the international corporation which is its most significant symbol. As you know, the international corporation has its headquarters in one country, but typically it operates in many; its capital and personnel are likely to be multinational; it attempts to rationalize production and distribution throughout the area in which it operates and to which it brings the benefits of efficiency, knowledge and progress.

I am glad that Canadians have played a leading part in these developments and that several Canadian companies are prominent in the list of progressive international corporations of this kind.

However, we see another side of this coin, for Canada is also a leading site for the operations of many such foreign-owned companies. Let us make no mistake about it -- Canada has always welcomed foreign investment, it has been, and will continue for some time to be, essential to our economic development. The benefits to us are evident, but there are difficulties and dangers of which you will be aware.

Economic activity must necessarily take place within a framework of law. The natural tendency may be to assume that the law to which a corporation is subject at its headquarters also applies throughout the area of its operations. This can bring the laws and policies of one country into conflict with another. We have seen cases over recent years in which anti-trust regulation, in itself desirable, has encroached across national boundaries. More recently we have been involved in a profound difference of view as to the national interest in certain cases where attempts have been made to inhibit legitimate trade by foreign subsidiaries in Canada.

A nation must retain full control over its economic destiny if it is to survive, prosper and play its proper role in the world. It is for this reason that I have consistently taken the position that extraterritorial application of the law of another country in Canada was inconsistent with our national integrity and our national status, and was unacceptable to the Canadian Government. This position is, I think, well understood and is now generally accepted.

But the power to determine its economic destiny which a nation must have if it is to realize its full potential involves more than legal considerations. It involves also the degree of influence which Canadians have in the policy-making councils of the major corporations doing business in this country. For this reason, it is natural and proper for Canadians to be concerned about the increasing amount of foreign ownership in our economy.

You will be aware of what the Government is doing to meet and remedy the situation: to establish a code of good corporate behaviour for foreign subsidiaries here, and to encourage greater Canadian participation in companies which operate in this country. In achieving this second objective, the Canada Development Corporation will have an important role to play.



I look forward to the day when we will no longer be so dependent on foreign capital inflows. I do not think we have yet fully exploited all the possibilities of encouraging a greater flow of domestic savings, nor of so regulating our affairs as to promote greater Canadian ownership.

In recent years there has been a healthy controversy concerning the role of foreign capital in Canadian economic development. There is now emerging a consensus on this much-debated topic, which can perhaps best be stated in four principles:

1. We must not discourage or penalize the foreigner who has had the faith and imagination to invest here.
2. We must provide the legal and policy framework in which the foreign investor can make the maximum possible contribution to our national welfare.
3. We must facilitate efforts by Canadians to devote increasing amounts of their ingenuity and resources to productive investment in this country.
4. We must encourage the legitimate and natural aspiration of Canadians to own more of their country's industry, and to exercise greater influence in the making of decisions concerning it.

In considering the question of foreign investment in Canada, we should not lose sight of the fact that Canadians have long been active as investors in other countries. Indeed, in the United States alone, we Canadians have invested more in proportion to our population than the United States has invested in Canada. In other parts of the world (for example, the Caribbean), Canada is among the most important sources of foreign investment. We have, therefore, a twofold interest in preserving freedom of capital movement across international frontiers.

In this beautiful city of Vancouver, Canada's gateway to the Pacific, the importance of international trade is obvious. As with the role of foreign capital and foreign corporations in Canada, trade policy is a matter of primary concern to the Federal Government.

No other developed country is so dependent on world markets as Canada. It is only in these world markets that the fullest potential for some of our new and highly specialized products, as well as our traditional exports, can be realized. With this in mind, the national Government is determined to continue its vigorous and active support for the lowering of world tariff levels and the dismantling of other trade barriers.

The "Kennedy round" of trade negotiations in Geneva is now entering its decisive phase; we are hopeful that it will result in a substantial step forward. With the end of the "Kennedy round", we must be prepared to show imagination in finding ways to liberalize trade still further. We must be prepared to show courage in adapting the Canadian economy to the changes we must expect in the international market place.

We are also very much aware of the potential opening up for Canadian exporters in the Soviet Union and Eastern Europe. During my visit there last fall, I was able to observe at first hand the winds of change which are stirring, and in particular to note the more flexible and decentralized techniques of economic management which are being adopted. Canadians must be alive to the opportunities this will present for more diversified trade, in addition to our present exports of grain and flour. We must be prepared to adapt our normal trading techniques if we are adequately to develop markets for our products in these state-trading countries.

In speaking of the challenge of economic development, I have referred to the vital role which the Federal Government is called on to play in the fields of foreign investment and international trade policy. But economic development within Canada is not in itself sufficient; we must also be concerned with economic development on an international scale.

Unless we can, as a nation, dedicate ourselves to translating into reality throughout the world the economic well-being which we consider essential within our frontier, our own prosperity will remain vulnerable. Unless we recognize the principle of redistribution of wealth which is the basis of Canadian social values, our own social and cultural progress may be imperilled. Unless we place at the disposal of the less-developed countries some of the wealth of human and material resources which we possess, our own security cannot be assured.

It is my personal conviction, which has been strengthened by years of experience in the field of foreign affairs, that aid constitutes one of the best and most constructive instruments we have in our quest for international peace and stability. Self-interest dictates that we should maximize our aid effort and improve the quality of our aid to the greatest possible extent.

It so happens that, as we increase and improve Canadian aid, which is usually provided in the form of Canadian goods and services, we are at the same time making an increasing contribution to agricultural, industrial and technological development in Canada. This is only natural, for aid is a co-operative endeavour and its success depends on the availability in developed countries of highly-qualified human resources, and of a highly-developed industrial potential.

Nevertheless, the immediate effect which aid has on our economic well-being is but a marginal, if important, aspect of the question. As the Minister responsible for external aid, I am proud of the fact - verified every day from the large number of verbal and written testimonies I receive - that it is humanitarian motives and an ingrained sense of social justice which are at the root of the widespread support which Canadians in all walks of life give to the national aid effort.

Because the task of international development is so desperately urgent, and the consequences of failure so potentially dangerous for us all, it is a matter of grave concern that the collective aid effort of the developed countries has tended to stagnate in recent years.

The developed countries, including Canada, must not allow their efforts to lag; they must devote their energies to mobilizing greater resources and putting them to effective use for the benefit of developing countries.

Canada has endeavoured to set an example in this field; in recent years, the Canadian aid programme has increased considerably, and now stands at over \$300 million annually. It is the Government's intention, subject to economic circumstances, to continue expanding the aid programme to a point where, by 1970-71, it will equal one per cent of the gross national product.

We are encouraged by the fact that circumstances are becoming more favourable to the effective use of the aid resources which Canada can provide. There are promising new channels of aid, such as the recently-established Asian Development Bank, and long-established institutions such as the World Bank have expanded their facilities. Equally important, there is a growing body of knowledge of the complex ingredients of economic development.

The immense task of galvanizing national energies towards the objective of establishing an international society of the kind which we are dedicated to create in this country is one that cannot be accomplished through aid alone, and I would not suggest for a moment that economic assistance by itself can hope to provide answers to the problems of continued underdevelopment. Our ultimate objective must be to provide developing countries with the means to support themselves, and, in particular, to procure through the normal channels of trade the goods and services required for their development.

The inadequate growth of trade in the poorer countries led in 1964 to a world conference on trade and development, and subsequently to the establishment on a permanent basis of the United Nations Conference on Trade and Development. Discussions in this forum have already yielded a much better understanding of the nature and magnitude of the problem which must be resolved to permit more rapid economic development of the poorer countries.

Clearly, one of the most urgent tasks is to stabilize and improve the earnings of developing countries from the export of basic commodities, which for many of them account for a large portion of their total earnings from trade. In recent years, lower prices for some of these commodities have often offset the foreign-exchange benefits of foreign aid. Vigorous efforts are now being made to achieve international commodity agreements in sugar and in cocoa. Developed countries, which are often the main consuming areas, have been called on to play their full part, and must be prepared to adapt their policies and make certain sacrifices. The benefits to the developing countries would be immense, and in the longer run we would all stand to gain.



The developed countries must also be prepared to open up their markets to a much wider extent than we have done in the past to the products of newly-established industries in developing countries. You are all familiar with the problem of preventing low-cost imports from disrupting our markets. We in Canada have a good record in working out co-operative arrangements with low-cost producers, and have provided a growing and substantial market for their products.

If all developed countries were more generous in their treatment of these low-cost imports, the burden on individual importing countries would be very slight when compared with the benefits for developing countries. The trading opportunities of all countries, both developed and underdeveloped, would be greatly increased.

It is evident that the problems of international development are both complex and challenging. We should, perhaps, be thankful that Canada is well-equipped, both to help in unravelling the complexities, and to meet the challenges. The Federal Government has a clear responsibility to provide leadership in this field, but it can only fulfil its responsibilities with the full support and co-operation of all Canadians. I am confident that this support will be forthcoming in the future, as it has been in the past.

I would like, for a minute, to speak about the rewards and benefits of a non-material nature which Canadians derive from their participation in the wider world economy. What I have in mind are the personal experiences which we may have, as individuals, and which can enrich our lives enormously.

There is the Canadian businessman, searching out new markets for Canadian products in a distant land where Western visitors have until recently been rare; there is the Canadian technical adviser, learning to work and live with people in a developing country who want to benefit from his knowledge and experience: in these and in other cases, individual Canadians are learning at first hand of the difficulties and frustrations, but also of the satisfactions, that come with a direct involvement in the interdependent world community in which we all live.

There are some in Canada who find cause for concern in the state of our Confederation in this centennial year. True, there are problems, which require skill and patience if they are to be successfully resolved. But let us realize that Canada is one of the truly blessed among the lands of the earth; let us not dishonour our patrimony by petty criticism and bickering; let us try and hold up for the world an example of generosity and understanding.

I have been concerned this evening with Canada's role in the world economy. In Canada's second century, the interdependence of nations will become even greater than it is now, perhaps most noticeably in the economic field.

Canadians have accomplished much in the first 100 years of Confederation. Let us not now become overly preoccupied with our problems here at home; let us rather accept, gladly, the responsibilities and challenges which arise

from Canada's role as one of the world's major trading nations, and one of the world's wealthiest and most dynamic countries. Let us see ourselves as others see us in this international perspective. Let us remember that Canada, prosperous and outward-looking, not depressed and self-absorbed, is the abiding Canada, the Canada whose centennial we honour this year.

It is a time for faith and confidence in ourselves, as individuals, and as Canadians. With this faith and confidence, Canada will realize its great and true destiny.

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# STATEMENTS AND SPEECHES

CANADA

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/2

## SUMMARY OF STATEMENT ON VIETNAM

BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS

THE HONOURABLE PAUL MARTIN

IN THE HOUSE OF COMMONS, ON FEBRUARY 13, 1967

During the course of a debate in the House of Commons on February 13, the Secretary of State for External Affairs made a statement on the Canadian Government's policy in regard to the conflict in Vietnam. Mr. Martin first emphasized that the aim of Canadian policy was to find ways in which Canada, along with other countries, could usefully contribute to bringing the war in Vietnam to an end. He urged his critics in Parliament and in the country to understand the circumstances in which foreign policy must be conducted; he pointed out that, in matters of negotiation, particularly when questions of war and peace are involved, the government should not be expected on every occasion to make disclosures which were not in the best interests of achieving the objectives which everyone had in mind. Mr. Martin therefore urged the advocates of political activism to reflect on the practical consequences of some of their proposals.

Referring specifically to the question of the bombing of North Vietnam, Mr. Martin said: "I have said already that this may be the key to the whole problem. I am confident that if it is not the key element in the present military-diplomatic puzzle it is certainly a most important factor. There are other factors. Even though I hope the bombing does stop, there are other actions and responsibilities which must also be fitted into the total pattern of steps toward a peaceful settlement. Until at least some faint outline of a pattern can be established through what has been called quiet diplomacy, it seems unlikely that the bombing would stop for a long period simply in response to a Canadian Government demand or appeal, regardless of what individual Canadians or members of the government personally might feel about this aspect of the policy of the United States.

It would, the Minister stated, be self-defeating if Canadian public statements were to have the effect of slamming doors instead of opening them, or of closing off potentially useful dialogues instead of stimulating and nurturing the confidential exchange of viewpoints. Taking all factors into account, the emphasis should be on quiet diplomacy.

Explaining what Canada was trying to do, Mr. Martin indicated that concurrent access to both the United States and North Vietnam placed Canada in a good position to probe and analyze the positions of the principal Parties and he went on to say that Canada had tried to devise formulas which stood some chance of bridging the gap separating the positions of the two sides thus bringing the problem closer to a negotiation. Canada had also suggested making the "good offices" of the International Control Commission available to the Parties concerned when the circumstances seemed right.

Mr. Martin indicated that the International Control Commission might not, in the end, be the instrument that would be used to promote a settlement, but it was Canada's duty to be ready to develop every possible opportunity to achieve that end. Adding that that opportunity might not be far away, he said, "I feel there are elements in the present situation that should convince India, Poland and Canada (the three nations represented on the ICC) to recognize that there may be a special role for them in the Vietnam situation as it is now unfolding."

Mr. Martin emphasized that the other channel of communication established by the two Ronning missions last year remained open, and he dismissed as without foundation reports that Mr. Ronning's services would no longer be used because of statements made by him in the exercise of his right to express his private opinions.

Mr. Martin then restated the Canadian position on the settlement of the Vietnam conflict under seven headings as follows:

"First, we believe that a military solution alone is neither practicable nor desirable. We have always made it clear that we look to negotiation to settle this conflict. We have said this because we think that the Vietnam situation cannot be isolated from the security and stability of Southeast Asia as a whole. We have not been alone in saying this. If there is to be a settlement which will hold out a reasonable prospect of long-term stability in that area of Southeast Asia, it will have to be based upon an accommodation of the interests of those primarily concerned. I do not believe this will happen as the result of military action alone.

"Second, peace discussions should take place on the basis of the Geneva Agreement. We believe that, without any prejudice whatsoever to the ultimate solutions, the first stage of any settlement will have to envisage a return to the status quo ante. By that we mean the conditions which were envisaged as ensuing from the Geneva Ceasefire Agreement of 1954. According to my understanding, the Government of North Vietnam does not take issue with that position. In practice this involves a continuing of the de facto division into two Vietnams, if only to allow time for the scars which have been opened by the conflicts of the past quarter-century to heal and for new dispositions to be agreed upon for the eventual reunification of the country.

"Third, we recognize the unity of the people of Vietnam. We have no wish to inhibit the reunification of Vietnam. We are bound to recognize, however, that the temporary division of that country reflects the political realities of the situation and cannot be abrogated by force. It is for the people in the two parts of Vietnam to decide how soon, and under what conditions, preparations for reunification can be set in train. This is not something which can be imposed upon the people of Vietnam from the outside or in disregard of the principle which they must enjoy like anyone else - of self-determination.

"Fourth, we believe that any Vietnam settlement will have to involve an international presence. We believe it is generally agreed that, as soon as conditions permit, there must be a withdrawal of all outside forces from both parts of Vietnam. This would be consistent with the terms of the Geneva Agreement. The same applies to military bases maintained in Vietnam.

"We believe that it is likely to be necessary - for some period at any rate - to have international supervision of any settlement agreed to by the Parties. The purpose of such supervision would be to give each side adequate guarantees that the terms of such a settlement were being fairly carried out. We have no firm views as to what form that international supervision might take.

"If it were decided that the three powers represented on the present International Commission should assume a new mandate in an expanded form, I can assure the House that Canada would be prepared to co-operate fully in the constitution of a new supervisory force. In that event we shall have to consider, in the light of our experience, what powers and what resources should be given to such a force if it is to carry out its mandate effectively and with the best interests of the Parties in mind.

"Fifth, we believe that it is for the Vietnamese people themselves to determine their own political future and the shape of the institutions under which they wish to live. We welcome the progress which has been made in South Vietnam to bring about the conditions in which a constitutional government, responsive to the interests of the people of the south, can be elected. We understand that this process will be completed within the current year. We would hope, when the hostilities have ceased and a settlement of the current conflict has been reached, that all segments of the people of South Vietnam will be afforded an opportunity to participate on a fair, constitutional and peaceful basis in the political life of South Vietnam, but so far as the representation of the Viet Cong at a conference is concerned, in the words of Mr. Goldberg's recent statement, this does not seem to present an insurmountable problem.

"Sixth, we can see merit in proposals which have been made for the neutralization, not only of Vietnam, but of a wider area in Southeast Asia.

"Seventh, we believe that in Southeast Asia, as in other parts of the developing world, there is a close link between the requirements of stability and the requirements of economic development."



Turning to the question of the sale of Canadian military equipment which might find its way to Vietnam, the Secretary of State for External Affairs referred to the Prime Minister's statement in the House of Commons on January 18. He added that the Canadian Government does not itself authorize the shipment of arms directly to any theatre of war.

At the conclusion of his statement, Mr. Martin informed the House of the news of the resumption of operations by the United States against military targets in North Vietnam. He added, "In spite of this news, which I had hoped might be otherwise, we must renew our determination to contribute in some way to bringing about a cease-fire."

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 67/3

## CANADA AS A MEMBER OF THE SECURITY COUNCIL

Speech by the Secretary of State for External Affairs,  
the Honourable Paul Martin, at the University of  
Western Ontario, London, Ontario, February 17, 1967.

...Today I propose to speak in particular of Canada's role as a member of the Security Council. At the last session of the General Assembly, Canada was elected to the Security Council for the third time in 19 years, and will serve during 1967 and 1968.

Election to the Council is based, according to the United Nations Charter, on "the contribution of members of the United Nations to the maintenance of international peace and security and to the other purposes of the organization", as well as on the principle of equitable geographical distribution. It is true that the candidates for election to the Council are now chosen on the basis of geographical groupings, but the fact remains that the contribution a country can make to the work of the United Nations is an important factor in each group's choice of candidates. For example, it is not without significance that the other candidates elected with Canada this year were India, Brazil, Denmark and Ethiopia -- all nations which have played an important part in the activities of the United Nations.

The Security Council has not always lived up to the high hopes which were placed in it at San Francisco 22 years ago. As you know, some degree of co-operation between the great powers is essential if the Council is to carry out its Charter function of primary responsibility for the maintenance of international peace and security. But for many years the suspicions and animosities which clouded relations between the U.S.A. and the U.S.S.R. reduced the Council to virtual paralysis. In its early years, for example, the Council used to hold more than 100 meetings annually. In the decade of the Fifties, it never held more than 50 meetings annually, and in 1959, when Canada was last on the Council, it held only five meetings. Since 1960, it has shown more vigour. It has been especially successful in limiting and then stopping the outbreaks of violence in Kashmir and Cyprus.

What are the issues which are likely to come before the Council in the months ahead? The trouble spots are obvious. The situation in the Middle East, the situation in Rhodesia, the situation in Southeast Asia, the question of South Africa's racial policies, the continuing dispute between India and Pakistan over Kashmir, the unresolved problem of the relations between Greek and Turkish Cypriots -- these are the kinds of situation or dispute that immediately come to mind.

Last year the Council spent 40 per cent of its time on the question of Israel's relations with Syria and Jordan, and a quarter of its time on the situation in Rhodesia. The year before it spent much of its time dealing with the situation in Kashmir and the situation in the Dominican Republic, but was not required to consider the situation in the Middle East at all. So, to some extent, the Council is a prisoner of events.

Over 60 items remain on the Security Council's agenda, and all are potentially relevant to the maintenance of international peace and security, even though many of them are dormant. To take the most obvious example, the situation in Vietnam remains on the Security Council's agenda although it has not been discussed for over a year because there is no basis for agreement within the Council as to what the United Nations can or should do to bring peace to that unhappy country.

While it is true, therefore, that the Council usually reacts to rather than shapes events, it is equally true that constructive use of the Council depends on the seriousness with which governments regard their obligations under the Charter. It is no service to international peace to treat the United Nations as a substitute for the task of direct negotiation, or to use its machinery for the purpose of publicizing charges which it is impossible to verify. Indeed, I would urge that, before a subject is given consideration by the Security Council, the Council should satisfy itself that the question is one which does in fact endanger international peace, and that the parties concerned have themselves examined all peaceful means for the settlement of the dispute before placing it on the agenda.

Whatever the subject under discussion, however, Canada will take a position which is consistent with our record of strong support for the principles of the United Nations Charter and for the strengthening of the organization.

We shall act independently and according to our best judgment -- keeping in mind, of course, our special relations with our allies on the Council, our Commonwealth ties and our interest as a nation which looks both across the Atlantic and across the Pacific oceans. We shall have in mind our responsibilities as members of the International Control Commissions in the states of Indochina and as participants in the United Nations Emergency Force in the Middle East and in the United Nations Force in Cyprus. These responsibilities will shape our attitudes but certainly not limit our determination to participate actively in the search for solutions to the disputes concerned.

We shall be conscious also of the importance of finding common ground between the permanent members of the Council without sacrifice of principle. It is true now -- as it was in 1945 -- that the ability of the permanent members of the Council to work together is an important condition for the maintenance of peace. In the intervening years, the smaller powers have performed many of the arbitration, conciliation and peace-keeping functions which it was thought in the beginning would be the primary responsibility of the permanent members. Yet they have only been able to do this in so far as some consensus, tacit or otherwise, has been in existence between the



permanent members. The main exception to this rule was the United Nations intervention in Korea, but I do not think we should look upon that episode as a significant precedent for the future.

Of course, we must expect that there will continue to be situations which involve fundamental differences of opinion, or of interest, between the U.S.A. and the U.S.S.R. and in these situations there cannot be any doubt as to where Canada will stand. Nevertheless, it will be our purpose to work with the other non-permanent members of the Council to find ways and means of permitting the United Nations to function effectively, and therefore to emphasize its capacity to act as a third party and impartial presence.

We shall also be concerned during our term on the Council to see if we can improve the procedures for organizing peace-keeping operations. Since we last served on the Council in 1959, Canada has participated in United Nations Forces in the Congo and in Cyprus, helped to provide air support for observers on the borders of the Yemen and for a Pakistan contingent in West New Guinea, and provided the commander for the Observation Mission sent to the border between India and Pakistan in the fall of 1965. Yet, during all this time, the United Nations has had to act on the basis of inadequate planning machinery and unreliable financing arrangements.

Some say that it would be unwise to press for better arrangements, because these would imply making concessions to the point of view of the Soviet Union that only the Security Council can decide what measures are to be taken for the maintenance of peace. This would ensure a voice and a veto for the Soviet Union in all such cases.

We recognize, of course, that there may be occasions when action by the Council is impossible and when the Assembly may have to recommend appropriate measures. But again we think it would be a mistake to base our policy too much on the experience of the Fifties. United Nations action to restore or maintain peace must carry the active or passive consent of the principal forces and tendencies represented in the Security Council, although not necessarily the support of all of them. Otherwise, as we learned two years ago during the crisis over the application of Article 19, the strain on the organization becomes so great as to threaten its very existence.

Canada has always been in the forefront of those who actively supported the United Nations. Membership on the Security Council at this time is an honour and distinction for Canada, which carries with it grave international responsibilities.

In this year, as we celebrate our centennial, we welcome the responsibilities that go with membership on the Security Council. We are determined to do everything we can, through the Security Council and in other ways open to us, to bring a lasting peace to the world.





## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/4

### CANADIAN STATEMENT ON NON-PROLIFERATION

Statement by Lieutenant-General E.L.M. Burns, Permanent Representative of Canada, before the Eighteen-Nation Disarmament Committee, Geneva, February 28, 1967.

The Secretary of State for External Affairs of Canada has asked me to make the following statement on his behalf.

We have welcomed the recent bilateral discussions between the U.S.A. and U.S.S.R. on the treaty to prevent the spread of nuclear weapons, which we understand have brought those countries close to agreement. We look forward to the tabling shortly of that draft treaty and to its careful study in this Committee. Like every country represented here, and, indeed, every responsible member of the international community, we hope we are close to reaching agreement on what can be one of the most significant international arms-control measures of our generation.

The urgency and importance of a non-proliferation treaty is clear. We are at an extremely critical point of history, when the decision of one country to join the ranks of the nuclear-weapons powers could trigger an uncontrollable, prohibitively costly and potentially catastrophic arms race. This could be the last chance of preventing such an arms race.

Since the basic purpose of a non-proliferation treaty is to prevent the further spread of nuclear weapons, a treaty must provide that the control of existing nuclear weapons shall rest incontestably with the present nuclear-weapons powers and that states without nuclear weapons shall renounce the acquisition or development of nuclear weapons. While this is an inherently discriminatory approach to the problem, it is the only rational one. Indeed, in the short run, it is in the interests of non-nuclear-weapon states to renounce nuclear weapons and thus to eliminate the danger of nuclear warfare among themselves and to reduce the danger of smaller conflicts developing into nuclear wars into which the great powers might be drawn. In the longer run, of course, substantial benefits would accrue to all nations if, as we intend, the treaty contributes to international stability and to an atmosphere conducive to more comprehensive measures of arms control.

It is neither unnatural nor unreasonable that countries foregoing their option to produce nuclear weapons should wish to ensure that their act of self-denial should, in turn, lead the nuclear-weapons powers to undertake tangible steps to reduce and eliminate their vast stockpiles of nuclear weapons



and delivery vehicles. We are, therefore, of the opinion that nuclear-weapons signatories to a treaty should be party to a clear and compelling declaration of intent to embark on the process of nuclear-arms control. In short, we think that by means of this treaty nuclear as well as non-nuclear states should contribute, and be seen to contribute, to the objective of nuclear disarmament.

It is, of course, important in this connection to ensure that the treaty should be seen to work effectively in practice. A provision for periodic review of its terms and operation is, therefore, an objective to which the Canadian Government has already subscribed and will continue to pursue.

The term "loophole" has been freely used in this Committee's deliberations on a non-proliferation treaty. In our view, a treaty permitting non-nuclear-weapons states to conduct, on a national basis, nuclear explosions for peaceful purposes, would contain a substantial loophole. We believe that it is impossible to distinguish between the technology required in nuclear explosions for peaceful as against military purposes and that a non-nuclear-weapons power which detonated a nuclear explosive device, no matter for what purposes would - in effect - have taken a decisive step towards the production of nuclear weapons. At the same time, we believe that a treaty should contain a clear assurance that non-nuclear-weapon powers may obtain the economic and scientific benefits of the use of peaceful nuclear explosions and, specifically, should have assurances of obtaining from nuclear-weapons powers the use of such explosive devices under the supervision of an appropriate international organization. We are pleased to note that President Johnson has said in his message that the U.S.A. is prepared to make nuclear-explosive services for peaceful purposes available to non-nuclear-weapons states on a non-discriminatory basis under appropriate international safeguards.

There has been some discussion recently of the value of technological "spin-off" from nuclear explosions. We are not convinced that such "spin-off" is significant, but we note again that President Johnson has assured us that not only peaceful explosive services but also any technological "spin-off" from them will be available to non-nuclear-weapons states. It goes without saying, of course, that a treaty should not place any inhibitions whatever on research or development of advanced peaceful nuclear technology.

It is, in our view, important that a non-proliferation treaty should include an effective safeguards clause, the main purpose of which would be to ensure that the treaty provisions are being observed and that nuclear fuel designated for peaceful purposes is not diverted clandestinely to the manufacture of nuclear weapons. Moreover, it will be important to establish the principle that the treaty safeguards system, to be internationally administered, must be acceptable to the great majority of states which are expected to sign the treaty.

I have touched in a very general way on some of the most important issues that we will be examining in the weeks ahead. We propose to present our views in a more comprehensive manner once we have a draft treaty text before us

In conclusion, I should like to make some brief remarks on the signing in Mexico City earlier this month of a treaty to denuclearize Latin America and the Caribbean. This is a development which we in Canada have warmly welcomed. We extend our congratulations to our Latin American and Caribbean friends (and I should mention the contribution of our Mexican colleague, Senor Garcia Robles in particular), noting that theirs is a unique achievement, which establishes an important precedent. The signing of this treaty is eloquent testimony to the tireless efforts of our neighbours, who have taken steps toward excluding nuclear weapons from their area and toward ensuring that nuclear energy is used exclusively for peaceful purposes. Let us hope that this achievement will lend impetus to our efforts here to reach agreement on a universal non-proliferation treaty.

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## STATEMENTS AND SPEECHES



INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/5 ASPECTS OF CANADA AND UNITED STATES FOREIGN POLICIES

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, Michigan State University, East Lansing, Michigan, February 25, 1967.

It is an honour for me to be here this evening, to address this second Inter-Collegiate Conference on Canadian-American Relations.

I should like to congratulate the organizers of this conference for their initiative and determination in drawing together students and faculty members from universities in Canada and the United States to discuss the foreign policies of our two countries. Through your formal discussions, and your social contacts, those of you who have the privilege of participating in this conference can do much to bring about a greater awareness, and a deeper understanding, of the relations between our two interdependent but distinctive North American peoples.

There is no surer evidence of the intimate and lasting friendship which characterizes the relations between the Canadian and American peoples than gatherings of this type, marked as they are by frank discussion and free exchanges of views.

Tonight I wish to speak to you about various aspects of the foreign policies of Canada and the United States as they appear to a Canadian foreign minister.

It is axiomatic that the foreign policy of a country is an expression of what it conceives to be its national interest. To say this is not to deny that there are wider international interests with which the national interest of any given country may be identified. Nor is it to deny that the national interests of two or more countries can be the same in certain instances.

In an increasingly interdependent world, where electronics are bringing peoples closer together into what a distinguished Canadian scholar has described as a "global village", and where we are all faced with the challenge of learning to live with the inconceivably terrible means of destruction which modern technology has placed at our disposal, the national interests of all countries must inevitably be closely identified with the preservation of peace.

Nevertheless, it would be a serious mistake to conclude from this that what one country conceives to be its national interest will necessarily hold for another country. And, even in cases where full agreement can be reached between countries on where their interests lie, there may still be differences as to the best ways of pursuing them.

I agree with the wise and penetrating observations on the distinctive Canadian approach to foreign policy made recently by an outstanding former Canadian diplomat, Mr. John Holmes:

"Obviously, our policies are going to be determined not only by our stature but our geography, our historic associations, and by our own national interests. Like all countries, we are unique, and we are more likely to be zealous and effective in our foreign relations if we have a national style. Into our approach to world problems should go our own experience -- our English and French cultural heritages and our broad ethnic background, our own experience in the path to self-government, our continental resources, our Atlantic, Pacific and Arctic exposures".

In many fields of human activity, Canadians and Americans have become accustomed to ignoring the border which divides our two countries. On the whole, our lives have been greatly enriched by the ease with which we have been able to co-operate and share experiences. But the task of maintaining close and friendly relations between our two countries will not be furthered by glossing over the fact that Canada and the United States are independent national entities, each with its own distinctive ways of translating national interests into policy.

Respect and understanding for the other's point of view is the only basis for a continuation of the harmonious relations our countries have evolved over the years, and which we can rightly be proud to hold up as an example to the world.

Among the factors which shape our foreign policies, three areas of contrast between the United States and Canada can be distinguished:

- (1) The super-power status of the United States, which arises from great wealth and large population, as opposed to the smaller size and more limited power of Canada;
- (2) the bilingual and multicultural nature of Canada, as opposed to the more homogeneous make-up of the United States;
- (3) the revolutionary origins of the United States, as opposed to the evolutionary development of Canada.

There is abundant evidence of the influence which these factors have on the formation of foreign policy in our respective countries. This will be seen in the various international issues I will be speaking of this evening.

The history of the world in this century has been characterized by attempts to arrive at forms of international organization which will ensure lasting peace and security for all countries and peoples, while at the same time permitting the greatest possible degree of national freedom and independence. We have finally arrived at a point where resort to war in this modern age can have catastrophic consequences.

With modern sophisticated weapons available to many states, local conflicts can rapidly escalate into major wars with repercussions far beyond the original scene of conflict. Behind such conflicts lurks the awesome threat of confrontation between the great powers, with their devastating nuclear arsenals, and the spectre of nuclear warfare, which cannot lead to victory but only to relative degrees of defeat. Fortunately, this is a fact of life which most responsible powers have recognized, although they have not yet been able to translate their awareness into terms of comprehensive arms control.

In the circumstances in which we find ourselves, we should be thankful that the United States, the most powerful country the world has ever known, has been so willing to recognize the need for effective international organization, through the United Nations and other bodies. Much that has been accomplished could not have been achieved if it had not been for the "decent respect for the opinions of mankind" which is referred to in the Declaration of Independence and continues to inspire American policy-makers.

Canada, like the United States, is deeply concerned with the preservation of its national identity and independence. Not possessing the enormous strength of the United States, Canada has perhaps felt even more compelled to seek guarantees for peace and security through international organization. In contributing to the development of effective international machinery, we have served our own interests, as well as those of the world community of which we are a part.

Canada's pursuit of this policy goes on at many levels, and in many ways. At the immediate practical level, it is manifested by the presence of Canadian personnel in peace-keeping forces and truce-supervisory groups around the world: in the Middle East, in Cyprus, in Kashmir, in Indochina. In the wider context, it can be seen in Canada's unremitting efforts to encourage progress towards arms control and ultimately, we hope, towards effective disarmament, and in the creation of more effective procedures for international peace-keeping operations.

Complete success has often proved extremely elusive. We have learned that quiet, patient work, often in difficult circumstances, is required, and will continue to be needed for many years to come.

Nowhere is the effort more urgent than in the continent of Asia. Canada, no less than the United States, recognizes that what is happening in Asia today is of great importance for the shaping of an orderly and peaceful world.



There can be no question that a peaceful settlement of the conflict in Vietnam is almost universally desired -- and not least by the United States. There must be no let-up in the search for an agreement as to how this can be brought about, and on what conditions a new and lasting settlement can be based.

Canada has a direct involvement in Vietnam, although it is of an entirely different nature from that of the United States and came about for entirely different reasons. Under the Agreement on Vietnam which was signed at Geneva in July of 1954, Canada undertook a quasi-judicial role as a member of an International Commission, consisting of Poland and India along with ourselves, to supervise the implementation of the cease-fire arrangements agreed to at that time.

Unfortunately, the Geneva arrangements failed to bring to Vietnam the peace and stability which their authors envisaged. Gradually, over the intervening years, the situation has evolved into a new military crisis and the world community is again confronted by a serious threat to peace which is tearing that unhappy country apart.

As far as Canada is concerned, our policy toward the conflict can be summarized broadly as follows:

- (1) A solution by military means alone to the kind of problem underlying the present crisis is not possible.
- (2) An equitable and lasting settlement can only be achieved by peaceful means, that is through a mutual accommodation of interests through negotiations.
- (3) It is imperative that such negotiations be entered into as soon as possible, and to this end responsible members of the international community must do everything within their power to see whether they can help create conditions in which such negotiations can become a reality.
- (4) As the only international body with established links with both sides, the International Commission collectively, or its members individually, may be able to play a constructive role in facilitating the beginning of a continuing political dialogue between the parties, and, it is to be hoped, of negotiations.

In the final analysis, of course, the settlement of any conflict or any dispute depends on the terms which the parties to it are able to agree on between themselves. But before they can agree peaceably, they must begin to discuss peaceably. If, through its membership in the International Commission and through its close relations with the United States, Canada is able to make some contribution to the process of translating military exchanges into arguments across a negotiating table, I think we shall have adequately served, and, indeed, furthered, some of the deepest interests and ideals our two countries share.

The difficulty in bringing Communist China into any meaningful discussion of how to end the conflict in Vietnam has only served to emphasize what have for many years impressed us as the dangers which can arise from the exclusion of a major world power from international councils.

We recognize that the absence of mainland China from the United Nations is due, at least in part, to the attitude of the Chinese themselves, who have seemed to relish their self-imposed isolation. But we do not believe that the international community could afford in the long run to encourage that isolation. Without in any way losing sight of the very real difficulties which lie in the way of bringing Peking's representatives into the United Nations, we believe that it is wrong to continue the essentially negative policy which has marked United Nations discussions of this fundamental problem for many years.

It was for this reason that I proposed to the General Assembly last November what I should call an interim solution to the Chinese representation issue. I told the Assembly that I thought that we must take into account the realities of the political situation in the Far East, and that, until such time as the Taiwan Government and the Peking Government could come to some settlement of their jurisdictional claims, both governments should be represented at the United Nations. I also suggested that we might further face up to the realities by offering Peking the permanent seat on the Security Council.

I made these suggestions not with the idea that they would gain immediate acceptance but rather in the hope of opening up new avenues in the hitherto deadlocked situation. Depending on developments inside China, I should hope that further progress could be made towards a reasonable and equitable solution of this long-standing problem.

Although it is in Asia that the most immediate threats to world peace are to be found at the present time, we must not lose sight of the continuing need to find a more lasting basis for peace in Europe. Both the United States and Canada, which owe their origins and so much of their civilization to Europe, must be intimately concerned with the evolution of the situation there.

Canada, even more than the United States, has maintained its ties with Europe, particularly through our two founding countries, Britain and France. Canada was involved from the beginning in the two great wars in Europe, and it was only natural that Canada should also be involved from the beginning in NATO, the first collective defence effort in Europe in peacetime.

There have, of course, been great changes in Europe since the North Atlantic Treaty came into being 18 years ago. In part owing to the generosity and imagination of the United States, the countries of Western Europe have restored their war-torn economies and have achieved a new prosperity, stability and self-confidence. With increasing prosperity, they have been able to assume an increasing share of the responsibility for their own defence; we welcome this trend, and hope it will continue. Meanwhile, largely owing to the success of NATO itself, the threat of military aggression in Europe has receded and the chances of restoring more normal relations between Eastern and Western Europe have much improved.

There were reasons enough for NATO to undertake a thorough re-assessment of its future role when the decision by France to withdraw from NATO's integrated defence arrangements made it urgent that the Organization adjust itself to the changing circumstances. Convinced that France had an important and enduring role to play in the alliance, Canada was particularly anxious to find ways of ensuring that France would continue to be as closely associated as possible with NATO. We are, therefore, gratified that suitable arrangements are being worked out to this end.

We are also pleased that NATO is tackling with realism the task of adjusting its conceptions and its machinery to the new demands of a Europe in full transition from the immediate threat of war to the promise of peaceful co-operation. Indeed, I consider that NATO has increasing importance as an organization which can contribute towards an eventual peace settlement in Europe.

It is our earnest hope that the day will come when NATO, as a defensive alliance, will no longer be needed. In the meantime, Canada cannot, any more than the United States, fail to be involved in arrangements for European security. Canada, along with the United States, will have to participate in the general conference on European security which we believe should be held when the time is ripe. Careful preparation will, of course, be required if such a conference is to be successful.

The trend towards closer relations between Western Europe and the Communist states of Eastern Europe is, we think, a hopeful development. Canada is itself seeking to strengthen its contacts with the countries in Eastern Europe. Last November, I visited Poland and the Soviet Union, where I had useful discussions with the leaders of those countries. My visit was only one of those made by foreign ministers of NATO countries in recent months. Through such visits, and in other ways, we hope that East-West relations will continue to improve.

We also hope that Germany, which lies at the heart of the problem of an eventual European settlement, will share fully in these efforts. We therefore welcome the recent initiatives of the Federal German Republic in seeking an improvement in its relations with the countries of Eastern Europe, and we hope that the latter, for their part, will show their genuine desire for a lasting peace by responding positively to these initiatives.

Canada's own experience as a nation leads us to believe that patient but determined efforts to achieve a genuine understanding with countries whose ideology and traditions differ from our own is the most likely path to a lasting peace in Europe.

I have been speaking of our joint and distinctive foreign-policy interests in Asia and Europe. In our own Hemisphere, we again find a situation where our differing traditions and interests have resulted in contrasting policies.



The United States, both because of its size and its own historical development, has always had a very great interest in Latin America. It has been involved in the inter-American system from the beginning. It has taken the lead in developing an imaginative approach to the social and economic problems which challenge so many countries of the Americas.

Because of our stronger traditional ties with Europe, Canada has not entered fully into the inter-American system, despite the fact that we are a Western Hemisphere country. Nevertheless, we have established our own links with Latin America, and we have endeavoured to preserve and extend these links as opportunities have arisen. We look forward to the further development of our relations in this direction in the future.

As an example of the influence of tradition on Canadian foreign policy in this Hemisphere, and in a modern context, I might mention our developing special relations with the countries of the Commonwealth Caribbean. In recent years, some of these countries have attained independence; others -- the smaller ones -- will next week become "associated states" with Britain. These changes have enabled Canada to give new meaning to its relations with the Commonwealth Caribbean as a whole, in what we hope will be a constantly evolving and mutually beneficial relation, unique but not exclusive.

I could go on to discuss our foreign policies in other parts of the world, for Canada, like the United States, has world-wide interests. We have, in Africa, special interests arising from our membership in the Commonwealth and our "Francophone" heritage. We share, in the Middle East, a desire to see Israel and its Arab neighbours live at peace, and we participate in the United Nations force, which is contributing to the achievement of this goal. We are contributing, in many parts of the developing world, to the enormous and demanding task of raising the standard of living.

From what I have said, it is evident that Canada's foreign policies are based on its own distinctive traditions, its own capabilities, and its own interests. The same is, of course, true of the United States. In many aspects of our policy, we find ourselves collaborating or co-operating with the United States. In other cases, we find that Canada and the United States are playing complementary roles.

When two countries, however close the relations between them, pursue their own policies in international affairs, there are bound to be occasions when differences of opinion, and, indeed, differences of interest, arise. In the past we have always found ways of ensuring that these differences did not affect the basic nature of our relations. I am confident that, so long as our relations are characterized by good neighbourliness, by mutual respect, and by genuine willingness to understand the other's point of view, we shall be able to resolve whatever differences may arise in the future.

A distinguished American diplomat, Mr. Livingston Merchant, has offered some practical comments on the value and scope of consultation between Canada and the United States, which I think are worth repeating:

"...It is in the interest of each of us to avoid official public disagreements with the other until early and intimate consultation in private has at least afforded an opportunity to resolve differences between us. If Canada, however, is to remain a voice respected in the world for its responsibility and independence, it naturally must retain the right to debate and discuss alternative courses of action publicly, and to differ by official pronouncement if private exchanges of view still leave us apart. In any event, each of us has the right to expect the other to accord to its views serious and understanding attention".

For Canadians to offer ill-informed criticism of United States foreign policy, without recognizing the enormous responsibilities which go with American power, and without recognizing the degree to which our interests coincide with those of the United States, would be a sign of immaturity and could have unfortunate consequences. It would, however, be equally immature of Canadians to accept unconditionally and without question the protection of our larger neighbour, on the assumption that what is good for the United States must necessarily also be good for Canada.

Canada is this year celebrating the one hundredth anniversary of Confederation. It is a time when all Canadians will be thinking about the origins of our nation, the achievements of our people, and the role our country can and must play in the councils of the world.

This great milestone in the evolution of Canada is not without significance for the United States. Concerned as they are with the burdens and responsibilities they have assumed around the world, Americans will, I hope, see in our centennial an occasion to recognize anew the value of Canada's distinctive, independent, yet friendly role in the international community.

The world of 1967 is a very different place from the world 100 years ago in which Canadian Confederation first took shape. The problems of foreign policy not only become more numerous but they take on many new dimensions, as the peoples of the world become increasingly interdependent.

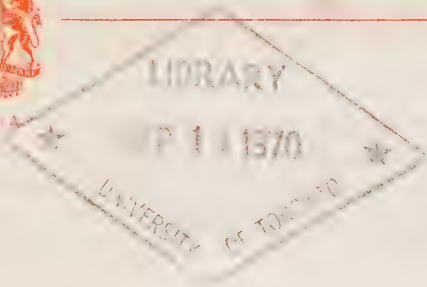
In the task of building a world in which all peoples can find a full and rich life, there is no single path, no simple solution. The very effort of working towards a better world must attract the talents and energies of us all, for only those truly committed to the effort can ever find full satisfaction in the results.

In this spirit, let us, Americans and Canadians, join our efforts where we can. Let us not insist that there is no way but our own. Let us realize that our diversity, so long as it is tempered by respect and understanding, is a source not of weakness but of strength.



## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/7

### CANADA AND "LA FRANCOPHONIE"

Speech by the Secretary of State for External Affairs,  
the Honourable Paul Martin, Montreal, March 11, 1967.

...Among the various aspects of foreign policy with which the Canadian Government is currently concerned there is one to which it is particularly sympathetic -- "La Francophonie", the conception of a French-speaking community. I think that Montreal, the second-largest French-speaking city in the world, would be an appropriate place for me to talk about this subject tonight.

"La Francophonie" is, of course, a subject of particular interest to French-speaking Canadians. But its significance is not limited to French-Canadians alone. Because it adds a new dimension to the development of our relations with other countries, "La Francophonie" will benefit all Canadians.

The idea of "La Francophonie" is quite a new one and not too clearly defined, but it has nevertheless been talked about a great deal recently. A number of leaders of French-speaking states, particularly President Senghor of Senegal and President Bourguiba of Tunisia, have been discussing this subject with the governments of interested countries. When President Senghor was in Canada last September, the Prime Minister and I discussed it at length with him. I have also talked about it several times with the French Minister of Foreign Affairs. We intend to continue this discussion with all the countries interested in "La Francophonie".

But what does "La Francophonie" mean? Perhaps the best explanation has been given by President Senghor. He thinks of it as an intellectual or spiritual community of all the countries which have French as a national or official language or where it is currently spoken. The aim is to bring closer together those countries which, through the French language, share a cultural heritage and have certain ways of thought and action, of looking at problems and of solving them, in common.

The conception is cultural and linguistic. Above all, it is a recognition of the richness of the heritage which we have in common with nearly 150 million people living in more than 25 countries throughout the world. These countries, like us, are anxious not only to preserve this heritage but to develop it. They realize today that they can do this better if they do it together.



As a French-speaking country, thanks to one of its two great cultures and one of its two official languages, Canada ought to welcome this idea warmly. I spoke on this subject in the House of Commons on October 24 last year when I said:

"... the Canadian Government fully supports the idea of developing closer links and more exchanges, particularly in the cultural and related fields, with those countries which, like Canada, share the heritage of the French language and culture.

It is the policy of the Canadian Government to give full expression, in its international relations, to the bilingual and bicultural character of our country. The development of our ties with the 'Francophone' countries, which we have pursued vigorously over the last few years, represents a new and valuable dimension of Canadian diplomacy. We wish, more particularly, to participate actively in any effort to find an effective framework for further co-operation among 'Francophone' states."

It is only natural that our country should play an active role in the linguistic community of French-speaking states. The advantages will add to those we already draw from our Commonwealth membership. As you know, our country has established many close links with our Commonwealth partners. A very high proportion of our external aid is directed to developing countries of the Commonwealth. Thanks to a programme of co-operation in the field of education, a great many Commonwealth citizens come to study in Canada every year, while a significant number of English and French-speaking Canadians go to other countries of the Commonwealth. We participate in the activities of many co-ordinating or consultative bodies, such as the Commonwealth Foundation, the Commonwealth Parliamentary Association and the Commonwealth Secretariat.

This list will give you an idea of what we are achieving within the Commonwealth, for the benefit of all Canadians, including French-Canadians. In the same spirit, the Canadian Government has undertaken during the past few years to strengthen and develop our ties with the French-speaking countries of the world and particularly with France, one of our mother countries.

Canada did not wait for the recent suggestions about "La Francophonie" in order to develop bilateral relations with the French-speaking countries of Europe, Africa and Asia. Our efforts in that direction should make our participation in "La Francophonie" much easier. I should like to describe some of the initiatives we have taken. I hope these examples will illustrate our increasing activity and the intensified effort which Canada is making towards the French-speaking countries.

Our bilateral relations have developed particularly with France. The visit which the Prime Minister and I made to France in January 1964 was a turning-point. On this occasion, General de Gaulle and Mr. Pearson agreed on the principles of broad co-operation at all levels between the two countries.

Exchanges between the two countries were greatly stimulated as a result. There has been periodic consultation between the two governments since then concerning our bilateral interests and international affairs, just like the consultation we have with the United States or Britain. Two or three times a year, I meet with my good friend and colleague Mr. Couve de Murville. From time to time, other ministers of the two governments have exchanged visits to discuss problems of mutual interest. There have also been numerous meetings between officials. I should also mention the activities of the France-Canada Parliamentary Association, which, since its creation a year ago, has held meetings in both countries.

I cannot overstress the benefit which both countries have drawn from these repeated contacts. As a result, each country has a better understanding of the attitude of the other towards the great problems which confront the modern world. This has helped to maintain the friendly atmosphere which marks our relations and helps us to achieve our common objectives.

In our cultural relations, we have made great progress since we established our programme of cultural exchanges with French-speaking countries in 1964. When we started, we had \$250,000 at our disposal. Since 1965, we have raised this amount to \$1 million. In November 1965, the French Ambassador and I signed the first general cultural agreement between our two countries. This agreement, which aimed at a better organization and co-ordination of cultural exchanges between the two countries, has resulted in our welcoming to Canada at least 100 French scholarship winners every year, who have come to study at post-graduate and research levels in our universities. Under the same agreement, about 20 French university professors are invited to our universities every year. In return, France has granted nearly 80 scholarships to Canadians to study in France, and also welcomes several members of our academic community.

In addition, to underline the importance of La Maison Canadienne for students in Paris, the Federal Government has made a grant of half a million dollars to permit its expansion, raising its capacity from 70 to 125 students. (By the way - may I offer my most sincere thanks to Mr. Ostiguy, who is sitting at this table, for his initiative and co-operation?)

Thanks to the federal programme of exchanges with French-speaking countries, we have been able to help several Canadian groups go abroad during the past year. I might just mention a few of them: the Montreal Symphony Orchestra went to France, Switzerland and Belgium, with great success; le Théâtre de l'Egrégore played in France and Switzerland; les Feux-Follets took part in the international music-hall festival at the Olympia in Paris; a Canada Week was organized at Mulhouse. Lastly, book collections of more than 800 works, covering all phases of Canadian life, have been given to six large French libraries.

I should also mention our efforts in Belgium and Switzerland, where we have multiplied our cultural exchanges, particularly in the academic field. Every year, we receive about ten students from each of these two countries on Canadian Government scholarships, while five or six Canadians go there, thanks to their scholarships. Before long, we hope to sign an agreement with Belgium which would provide for the expansion of these exchanges.



I should like to point out that the policy of cultural exchanges is not limited to French-speaking countries. I believe that it is in the interests of all Canadians to develop our cultural exchanges, particularly with Europe. I was particularly happy to be able to announce in the course of my trip to Europe last November the opening of negotiations with Italy and the U.S.S.R., which we hope will lead to cultural agreements with them.

In the field of scientific co-operation with France, a group of leading Canadian figures directed by Mr. Gaudry, rector of the University of Montreal, recently went to Paris to agree on a sizable programme of scientific exchanges.

In the economic sphere, there has also been greater co-operation between France and Canada. A Canada-France commission will meet each year to discuss questions of mutual interest. An important Canadian economic mission visited France last year to discuss with the French authorities ways of improving exchanges between the two countries. The commission has just distributed an important report on this subject across Canada.

Many other projects are in progress. I might mention, for instance, an exchange of officers between the French and Canadian armed forces. More and more civil servants are being trained at the French National School of Administration, while in return we have been welcoming French civil servants on study tours. Both countries are studying the possibility of mutual co-operation in the field of defence production. We are also studying a proposed exchange of young people which Mr. Marchand has suggested. There is a constant movement back and forth of commissions and delegations who are doing pioneer work. Impressive results have been obtained since the Prime Minister visited Paris. When Mr. Couve de Murville came to Ottawa last September, we agreed that this was only a beginning.

While we have tried to intensify and diversify our traditional relations with France and to extend the scope of our exchanges with Belgium and Switzerland, we have also sought to establish close links with the many developing French-speaking countries which have gained independence since the last war. Canada has shown its interest in being represented in these countries in Africa by establishing embassies in Cameroun, Congo (Kinshasa), Tunisia and Senegal. Through multiple accreditation, we now have diplomatic relations with all of French-speaking Africa. Although we have no formal diplomatic missions in Cambodia, Laos and Vietnam, our participation in the work of the International Control Commission since 1954 has allowed us to have useful contacts with these countries. I hope that in the near future our financial and personnel resources will allow us to expand our network of diplomatic missions in French-speaking countries.

It would be impossible to exaggerate the importance of these missions. Without their administrative help and presence in the field, we could not achieve our objectives; they have enabled us to achieve mutual comprehension without which we could not lay the foundation for effective and long-lasting co-operation or work closely with the governments which are interested in "La Francophonie".



We have made our presence felt most tangibly in French-speaking Africa and Asia through external aid. It seems natural that our activity should have begun in a field where it would be in effect an extension of the admirable work already begun, particularly in Africa, by hundreds of Canadian missionaries in education, medical services, and other fields.

In French-speaking Africa, our external aid programme has developed remarkably in the last few years. From the \$300,000 a year which we spent between 1961 and 1964, our bilateral aid figures went up to \$4 million in 1964 and reached \$8 million during the present fiscal year. To this impressive sum we intend to add another \$4 million. I am pleased to announce that the Canadian Government has decided to increase its aid to French-speaking Africa during the next fiscal year to \$12 million. If you bear in mind that we shall be giving \$16 million to English-speaking African countries next year, it will be evident that we have gone a good way towards balancing the aid which we give to the two groups in Africa.

Launching a programme of this size in a few years has required a considerable effort in organization and co-operation from both Canada and the recipient countries. As I have said, we started slowly. We did this on purpose, because both we and the countries concerned agreed that our aid should go into well-conceived programmes which would have a real and lasting value. Considerable progress has been made. I am proud to say that we now have the means and the people in Canada and abroad to reach the goals which we have set for ourselves. Our diplomatic missions in Africa and Asia have done a wonderful job in difficult circumstances. Thanks to them we now have a better knowledge of the real needs of the countries concerned. These countries, in turn, now have a better idea of the human and material resources which we can make available to help them. Please do not forget, my dear friends, that, when we talk of peace and the risk of a world war, what I am saying tonight is the actual basis of a peace effort.

We have now reached what I should call the second stage in implementing our programme -- that of diversification and consolidation. At first our activity was directed mainly towards technical assistance, and particularly education. We already have nearly 250 teachers in French-speaking Africa, and we hope to bring this number up to nearly 300 during the coming year. Nearly 450 trainees from the developing French-speaking countries are now studying in Canada. We wish to do more, and to offer help in such different fields as agriculture, public health, transportation, communications and engineering. Last year we gave considerable food aid to Morocco, Algeria and Senegal.

I have just mentioned the human and technical resources which we shall increasingly need. I should like to express my satisfaction at the enthusiastic support which French-Canadians from Quebec and the other provinces have given to the preparation and carrying out of projects not only in French-speaking countries but almost everywhere in the world. As an example, I might mention that many doctors and members of other professions have offered their services spontaneously, in some cases without fee. Is there any better example of altruism and generosity? I should like to renew today the appeal I have often made to businessmen, industrialists, professional men, teachers and technicians. Help us to help others, because without your assistance we can not carry out the important and complex

task which Canada has undertaken in the developing French-speaking countries.

As you can see, our bilateral relations with the French-speaking countries are already varied and close. I should now like to tell you how the Canadian Government envisages the development within "La Francophonie" of the multilateral relations which all seem to want. Our views reflect the major themes which emerge from the statements made on this subject almost everywhere in the French-speaking world. It goes without saying that "La Francophonie", although it may have an economic aspect, will be essentially a great cultural undertaking. No one dreams of having it extend into the political field. To endure, it must be a joint effort; it will have to be developed through constant consultation between equal partners, with due regard for the domestic institutions of each country. It follows that "La Francophonie" will have to have a very flexible form. It will require the freely-given assistance of all those who wish it well, including participation by private organizations. It will also call for systematic international co-ordination, which presupposes the support of French-speaking governments.

This is the way in which "La Francophonie" seems to be developing, for it has already begun to exist, with Canada as a participant. May I mention the following organizations as examples:

L'Association des Universités partiellement ou entièrement de langue française - AUPELF - (The Association of Universities Partly or Entirely French-speaking), established in 1961 on the initiative of the University of Montreal;

L'Association internationale des Journalistes de langue française (The International Association of French-speaking Journalists);

L'Association internationale des Juristes de langue française (The International Association of French-speaking Jurists);

L'Association internationale des Médecins de langue française (The International Association of French-speaking Physicians);

L'Association interparlementaire des Pays de langue française (The Interparliamentary Association of French-speaking Countries), which is in process of being formed;

Le Comité de l'ONU pour la Défense de la langue française dans les Organisations internationales (The UNO Committee for the Defence of the French Language in International Organizations);

La Communauté radiophonique de langue française (The French-language Broadcasting Community);

La Fédération du Français universel (The International Federation for the French Language).

This is a most impressive beginning, and provides striking evidence of the spontaneous nature of the aspirations of the French-speaking people.

The Federal Government has followed the activities of these various groups very closely, and has shown its interest by providing financial assistance when needed, particularly to help Canadians attend the meetings organized by these organizations in different countries. Now the Government has decided to do more

As I mentioned a moment ago, we see our relations with "La Francophonie", the Commonwealth and other countries as different manifestations of a single foreign policy which is in the interests of all Canadians. As one aspect of this policy I am happy to announce this evening that the Canadian Government will provide an annual grant to AUPELF of \$50,000. In addition, at the request of AUPELF, it will contribute to the Fonds international de Coopération universitaire (the International Fund for University Co-operation), the principal aim of which is to promote the development of universities in the developing French-speaking countries. For this purpose, we envisage an annual contribution of \$100,000 for five years, to be used in consultation with AUPELF and the governments concerned. I should add that this aid the Government has decided to give to AUPELF is due to the encouragement and the efforts of my colleague, Mr. Sauvé. AUPELF, the association of universities which are partly or entirely French-speaking, is one of the most impressive manifestations of the French-speaking attitude. Following an appeal by the University of Montreal, 55 universities, located in 18 countries throughout the world, united in 1961 to form this international association, which has already proved its value. Canadians are proud that its secretariat is located in Montreal. This seems to me fortunate, and I can assure AUPELF of all our support.

Concerning the Interparliamentary Association of French-speaking Countries, the Speaker of the House of Commons has received an invitation from the President of the Luxembourg Parliament for a preparatory meeting to be held in Luxembourg in May. This proposal is now being studied, and has created a great deal of interest among Canadian Parliamentarians.

Up to now, these various initiatives have developed spontaneously. If we want to make sure that "La Francophonie" develops in an effective and coherent manner, it seems to me essential that such initiatives should be carried out in future in a more systematic way; they should be encouraged and co-ordinated. I think that the most suitable instrument for this purpose would be an international organization of an essentially private nature, based on national associations of the same character, which would be independent from one another and from their governments but would work closely with the latter and would enjoy their support. Such an international organization would permit co-operation in this field on the basis of complete equality among the various countries concerned and would supplement the activities of governments by mobilizing the resources and initiatives of individuals and private organizations. The Canadian Government is convinced of the value of this idea,



and has undertaken to submit it to French-speaking governments. If their opinion is favourable, we shall be ready to call a meeting of their representatives to discuss the question.

Ladies and gentlemen, there is something deeply moving about the idea of a fellowship, based on language, bringing together people, races and continents in the service of common cultural and human values. I am also moved by the idea of a French-speaking brotherhood on a world scale which will be enriched by the civilizations of Asia and Africa. How could "La Francophonie" fail to be the business of Canada -- particularly of French Canada but really of all of Canada?

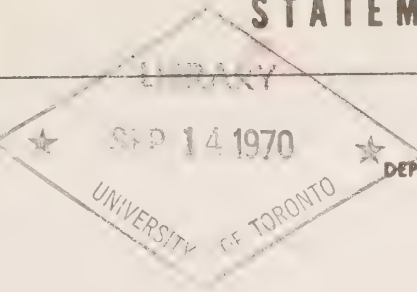
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# STATEMENTS AND SPEECHES

Publications



INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/8

## CANADA, THE UNITED STATES AND VIETNAM

Text of the Reply by the Prime Minister, the Right Honourable L.B. Pearson, to Representations from a Group of University Professors, including the Faculty Committee on Vietnam at Victoria College, University of Toronto, March 10, 1967.

I need hardly tell you that the situation in Vietnam is one to which the Government attaches great importance in the formulation of Canadian foreign policy. That importance reflects not only the implications of the problem for world peace and the international processes of change by peaceful means but also the concern which the Government shares with responsible citizens at the toll the hostilities are taking in terms of human suffering as well as of wasted resources and lost opportunities for human betterment. On these points, I think there can be few differences of opinion.

The real problem, of course, for governments no less than for individuals, is in translating hopes and convictions into constructive action. Constructive action, in turn, depends on a realistic assessment of the nature of the situation which it is desired to change and of the likely consequences of any given action, whether public or private, in relation to the problem. Therefore, at every stage, we must ask whether any particular step is likely to advance the issue any distance towards a solution -- or even towards a more satisfactory state of affairs. Any answer to this question becomes doubly difficult in the context of problems where the direct involvement and the direct responsibility for action rest essentially with others.

Let me be more specific. I realize, as the public debate over Vietnam here and elsewhere over the past few years has shown, that it is possible to arrive at different assessments of the rights and wrongs of the various positions represented in the conflict. This is inevitable, and, in the long run, useful, in a free society, always provided, of course, that the differences of opinion are genuine and based on the fullest possible range of facts. But, whatever the view one might hold about the origins and development of a situation such as we face in Vietnam today, I believe that the right and proper course for the Canadian policy-maker is to seek to establish that element of common ground on which any approach to a solution must ultimately rest.

This is precisely the direction in which we have attempted to bring Canadian influence to bear - the search for common ground as a base for a solution to the Vietnam crisis by means other than the use of force. We have

spoken publicly about our belief that a military solution is neither practicable nor desirable and we have encouraged the two sides to enter into direct contact to prepare the ground for formal negotiations at the earliest practicable time.

In what might be called a process of public diplomacy, the parties themselves have gone some distance over the past year or so in defining their positions. This open exchange of propositions is, of course, useful in settling international problems, but it must, I think, be accompanied by other, less conspicuous, efforts, since public positions are generally formulated in maximum terms. One aspect of these quiet efforts could be an attempt to develop a dialogue with the parties, stressing to them the urgency of seeking more acceptable alternatives to the means being used to pursue their objectives; another might be an attempt to find channels by which the parties could, in quite confidential ways, move out beyond their established positions, abandoning where necessary, tacitly or explicitly, those aspects of their positions where compromises must be made in the interests of a broader accommodation.

As I have said, I am convinced that the Vietnam conflict will ultimately have to be resolved by way of negotiation. But I do not think that a Geneva-type conference (or, indeed, any other conference) will come about simply because the Canadian Government declares publicly that this would be a good idea. It will come about only when those who are at this time opposed to such a conference can be convinced that it would be in their best interests to attend and negotiate in a genuine desire to achieve results. And, in the process, confidential and quiet arguments by a responsible government are usually more effective than public ones.

Similarly, when it comes to making channels, or "good offices", available to the parties to enable them to make contact with each other, I think that too many public declarations and disclosures run the risk of complicating matters for those concerned.

In short, the more complex and dangerous the problem, the greater is the need for calm and deliberate diplomacy. That may sound like an expression of timidity to some of the proponents of political activism at Canadian universities and elsewhere today. I can only assure them, with all the personal conviction I can command, that in my view it is the only way in which results can be achieved. Statements and declarations by governments obviously have their place and their use in the international concert, but my own experience leads me to believe that their true significance is generally to be found not in initiating a given course of events but lies rather towards the end of the process, when they have been made possible by certain fundamental understandings or agreements reached by other means.

As far as the bombing of North Vietnam is concerned, there is not the slightest doubt in my mind that this is one of the key elements, if not the key element, in the situation at the present time. You may recall that I was one of the first to suggest publicly that a pause in these activities might provide openings for negotiations. Subsequently, I have repeatedly stressed that I would be glad to see the bombing stopped, Northern infiltration into the South stopped, and unconditional peace talks begin. This has been and will remain, in broad



outline, the Canadian Government's position - a position which we have adopted not in a spirit of timidity but in a sense of reality, because we believe it corresponds to the facts and because we believe that a negotiation involves reciprocal commitments. Any other position taken by the Government, I am convinced, would be unhelpful.

In your letter you also called upon the Government to reveal all military production contracts related in any way to the Vietnam war, and to consider refusing to sell arms to the U.S.A. until the intervention in Vietnam ceases. While I can appreciate the sense of concern reflected in your suggestions, I think it might be helpful if I were to try to put this question in a somewhat broader perspective than the problem of the Vietnam war alone.

Relations between Canada and the U.S.A. in this field are currently covered by the Defence Production Sharing Agreements of 1959 and 1963, but in fact they go back much farther and find their origins in the Hyde Park Declaration of 1941. During this extended period of co-operation between the two countries, a very close relationship has grown up not only between the Canadian defence industrial base and its U.S. counterpart but also between the Canadian and U.S. defence equipment procurement agencies. This relationship is both necessary and logical not only as part of collective defence but also in order to meet our own national defence commitments effectively and economically. Equipments required by modern defence forces to meet even limited roles such as peace keeping are both technically sophisticated and very costly to develop and, because Canada's quantitative needs are generally very small, it is not economical for us to meet our total requirements solely from our own resources. Thus we must take advantage of large-scale production in allied countries. As the U.S.A. is the world leader in the advanced technologies involved, and because real advantages can be gained by following common North American design and production standards, the U.S.A. becomes a natural source for much of our defence equipment. The U.S.-Canadian production-sharing arrangements enable the Canadian Government to acquire from the U.S.A. a great deal of the nation's essential defence equipment at the lowest possible cost, while at the same time permitting us to offset the resulting drain on the economy by reciprocal sales to the U.S.A. Under these agreements, by reason of longer production runs, Canadian industry is able to participate competitively in U.S. research, development, and production programmes, and is exempted from the "Buy American" Act for these purposes. From a long-term point of view, another major benefit to Canada is the large contribution which these agreements have made and are continuing to make to Canadian industrial research and development capabilities, which, in turn, are fundamental to the maintenance of an advanced technology in Canada.

In this connection, I should perhaps point out that the greater part of U.S. military procurement in Canada consists not of weapons in the conventional sense but rather of electronic equipment, transport aircraft, and various kinds of components and sub-systems. In many cases, the Canadian industries which have developed such products to meet U.S. and continental defence requirements have, at the same time, been able to develop related products with a civil application or have been able to use the technology so acquired to advance their general capabilities. For a broad range of reasons, therefore, it is clear that the imposition of an embargo on the export of military equipment to the U.S.A., and

concomitant termination of the Production Sharing Agreements, would have far-reaching consequences which no Canadian Government could contemplate with equanimity. It would be interpreted as a notice of withdrawal on our part from continental defence and even from the collective defence arrangements of the Atlantic alliance.

With regard to your specific request that we reveal all military production contracts related in any way to the Vietnam war, there is so far as I am aware no way in which the Canadian Government - and perhaps even the U.S. Government - could ascertain the present whereabouts of all items of military equipment purchased in Canada by the U.S.A. Such equipment goes into the general inventory of the U.S. armed forces and may be used for such purposes and in such parts of the world as the U.S. Government may see fit. The converse is true of equipment which is purchased in the U.S.A. by the Canadian Government. This long-standing arrangement - which is sometimes known as the "open border" - reflects the collective defence relationship of Canada and the U.S.A. and is an important element in the broadly-based co-operation of the two countries in the defence field. It would not, in my judgement, be consistent with that relationship for the Canadian Government to seek to impose the sort of restrictions which you suggest, nor am I convinced that, by taking such a step, we should be contributing in any practical way to achieving a political solution to the Vietnam problem.

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## STATEMENTS AND SPEECHES



INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/9

### CANADA AND NATO

Statement by the Secretary of State  
for External Affairs, the Honourable  
Paul Martin, before the Senate External  
Affairs Committee, March 15, 1967.

I followed your recent debate on NATO with much interest. The subject is important and timely. The Government is aware of the need to consider anew the future role of NATO and Canada's place in the Organization. I thought it might be of interest if I were to share with you in a preliminary way some of the considerations which have to be taken into account in our study of this aspect of our foreign policy.

The situation in Europe, in the East as well as in the West, is changing. The requirement for a high level of collective defence, which no one could deny when Western Europe was vulnerable to Soviet political and military pressure, is no longer unquestioned. For the first time there is hope and even expectation that we can in time work out a peace settlement in Europe. In this changing situation, it is appropriate to ask ourselves whether existing international institutions -- in this case NATO -- are well adapted for the achievement of the tasks ahead and for the satisfaction of our interests and our objectives.

### Canada's Interest in a Peace Settlement in Europe

In spite of the achievement of independence by many new nations in the past decade and the changes in international obligations which this and other developments have caused for Canada, Europe remains a primary focus of interest for us. Within Europe what do we seek? For my part, I believe it self-evident that our interest lies in a stable Europe whose internal difficulties will not constitute a threat to the peace of the world. This will require ultimately a German peace settlement and an end of the present division of Europe.

These aims will be difficult to achieve. There are no easy solutions when basic conflicts of interest have to be reconciled - the more so, when this process must take place against a legacy of suspicion fed by ideological difference, past ill-will and continuing world-wide rivalry. Solutions will take time, hard work and persistence. In the meantime, guided by a clear perception of final goals and of the genuine and major obstacles to be surmounted, we can and must take firm steps along the way. Among our immediate objectives I should include the improvement of East-West relations and, in particular, the establishment of better relations between the Federal Republic of Germany and the countries of Eastern Europe. These developments will help further reduce tension and promote the confidence essential to reaching a settlement -- which will mean the end of the division of Europe.



These objectives are shared by our allies. NATO can, I believe, contribute significantly to their achievement. The requirement now is to decide what concrete steps should be taken. The last ministerial meeting in Paris in December adopted a suggestion, put forward by Canada in 1964, to study the future tasks of the alliance. I look to this study, which, it is hoped, will be completed in time for consideration at the ministerial meeting next December, to set NATO's course for the future. Meanwhile, all members are seeking to improve East-West relations through bilateral channels.

In some quarters there is misunderstanding about the importance of the year 1969 for NATO. The impression is widespread that in that year the alliance will come to an end or that member states must formally recommit themselves to NATO or that the Treaty must be revised. None of this is true. The only significance of 1969 is that the North Atlantic Treaty provides that in that year, the twentieth anniversary of its ratification, it becomes legal for members to withdraw on giving one year's notice of intention.

#### Importance of NATO

There are some critics who consider that NATO, as an organization founded to resist possible Soviet aggression, is handicapped by its past and not equipped to promote a peace settlement. Others say that NATO is obsolete and no longer needed. Some even go so far as to argue that NATO's mere existence obstructs the movement towards a peace settlement.

It seems to me that, before reaching any conclusions, one has to consider the benefits which NATO provides.

First, NATO's combined military strength has deterred possible Soviet military or political penetration of Western Europe. At a time when relations with the U.S.S.R. may be slowly improving, the maintenance of effective deterrent forces is a form of insurance against the danger of an unexpected recurrence of Soviet hostility. Nor can we afford to overlook the fact that Soviet military power in Eastern Europe, far from being diminished, has over the years been augmented and perfected. This is a fact to be set on the scales in assessing how we should respond to the more forthcoming Soviet political posture. The Soviet Union's own actions suggest that they find no incongruity in combining military preparedness and political negotiations. Should we be any less flexible? Sure of our strength, can we not more confidently work to improve East-West relations? And has past experience not demonstrated that allied solidarity and strength have caused the development of Soviet interest in a European peace settlement?

It is true that the strength of the countries of Western Europe has grown enormously since the alliance was formed. Nevertheless, these countries together -- let alone separately -- could not match Soviet military power. I believe it significant that France, while withdrawing from NATO's integrated military structure, has indicated its intention of remaining in the alliance, even beyond 1969. Moreover, France, while it has required the withdrawal of United States and Canadian forces from French territory, has not advocated their withdrawal from Europe.

Secondly, I wonder if the Soviet and Eastern European leaders have not come increasingly to regard NATO as a stabilizing force in Europe. They may well look to NATO -- and the Warsaw Pact for that matter -- to prevent the emergence of nationalist elements in Europe. Perhaps the clearest evidence of this approach appeared in some Yugoslav and Polish journals last year, when there was speculation that French action in NATO might lead to its break-up. These journals wrote apprehensively of such a development, showing concern that the countries of Western Europe would in such a circumstance develop their own national forces, which would not be subject to the constraints of international command. This would indicate, in spite of some continuing Soviet propaganda against NATO, that the Soviet and East European leaders increasingly regard NATO as a force for stability in a divided Europe. Nothing which the Soviet or Polish leaders said -- or did not say -- during my recent visit to Eastern Europe would contradict this impression. While emphasizing our interest in détente, I deliberately made clear to them our view that NATO had an essential role to play and that Canada would continue to contribute forces to it.

Thirdly, NATO has helped to restore the confidence of the peoples and governments of Western Europe which had been shattered by the experience of the Second World War. This has been achieved in spite of continuing dependence on the United States deterrent force which is fully admitted -- even by France. The extent of this revived self-confidence was well demonstrated by the remarkable speed and effectiveness of the adjustment within the alliance to the French decision last year to withdraw from the integrated military structure.

But the situation in Germany, in particular because of its geographic location and the division of its territory, remains difficult. It is increasingly accepted and acknowledged within Germany that the Government must eventually reach understandings with its Eastern Communist neighbours. This will involve the German Government, now and in the future, in taking some difficult decisions. Obviously, the German Government cannot be forced into agreements with the countries of Eastern Europe. They must take the necessary decisions themselves. But is it not important, particularly at a time when there is a German Government which is prepared to act, that that Government should not be inhibited or restrained by concern for its future security? And will such action not be better understood and appreciated in Western Europe if Germany is acting within the framework of an alliance?

Finally, NATO has provided an effective framework for consultation and, if necessary, common action. This, of course, does not prevent bilateral activity by the members of the alliance. It does ensure that such action is understood and taken into account by one's allies. Thus my trip to Eastern Europe last autumn was undertaken for Canadian reasons. But I was conscious, at the same time, of playing a Canadian part in a larger effort to improve East-West relations.

We should not forget that NATO is an organization in which, over the years, 15 countries, spanning the Atlantic Ocean, have increasingly learned to consult together. This, in itself, is a significant achievement. The alliance is proving to be a flexible instrument capable of adjusting to the requirements of the times. Its raison d'être may change and broaden, as the political tasks assume priority. But the Organization has shown itself capable of making the necessary adjustment. Does this not merit consideration in our assessment of the continuing value of this alliance?



### Canada's Political Stake in Europe

There is another consideration which is often overlooked. NATO has, over the years, served in a tangible way to strengthen our connections with the countries of Western Europe. As a North American nation in a world moving toward continentalism, is it not in our national interest to develop every reasonable link -- political, economic, military, social and cultural -- with the countries beyond the Atlantic?

We had hoped when NATO was established that the alliance would become the nucleus of a political community linking Canada with the United States and with Europe. Had this happened, NATO might have served as the instrument for balancing our major international relationships. But this has not so far happened; and there is no evidence that any member of the alliance is ready to submerge national sovereignty in any supra-national political authority which would represent a true Atlantic Community. In this circumstance, where our national interest calls for the greatest possible links with the countries of Western Europe, are we not furthering this policy through active participation in NATO?

As a small illustration of this benefit which we derive from participating in NATO, the annual meetings of the NATO Parliamentarians Conference come to mind. This organization, which owes its origin to a former distinguished member of your Chamber, Senator Wishart Robertson, is to my knowledge the only institution which brings Canadian Members of Parliament together with colleagues from all of Western Europe to discuss common problems. I believe that the personal experiences which some of you had at these meetings will have brought home to you the significance and the importance of this connection.

### Why Canada has Forces in Europe

Another line of argument which has recently gained some support in Canada is that Canadian military forces in Western Europe no longer have military significance and should, therefore, be withdrawn. It is certainly true that the European nations have built up their armed forces to the level where our contribution is relatively less important militarily than it was ten years ago. But does it follow that we could withdraw forces without provoking unintended consequences?

The North Atlantic Treaty and associated agreements provide that member states will not significantly reduce their assigned forces without the agreement of their allies. The allies recognize that members of the alliance may at some time or other have no alternative to reducing their commitments. But, in Canada's case, the normal arguments for a withdrawal of forces would not be persuasive. It is a major requirement for our forces. Our total defence budget as a percentage of gross national product is, in fact, one of the lowest in NATO countries. The number of men in our armed forces as a percentage of population is likewise one of the lowest among NATO countries.



It would, of course, remain open to Canada to act unilaterally. But a unilateral decision to withdraw forces could have significant political consequences. It could start a chain reaction by exerting pressure for similar action on the governments of the other members of the alliance, which are just as concerned with the cost of providing defence forces. It could damage the fabric of co-operation. It could do harm to Canada's good name with its allies. It could cause our allies to ask themselves whether we were making a respectable contribution to maintaining security in the world.

I do not say that these considerations are necessarily of lasting validity. The Government is not insensitive to the argument that Canada's contribution should be made from bases in Canada. Indeed, Canada provides a battalion, which is stationed in Canada, to what is known as the ACE Mobile Force for use on NATO's northern flank. The day may come, with changes in technology or strategy, when it would be feasible and satisfactory to ourselves and to our allies to make our entire contribution from Canada. But, in the meantime, Canada, as a responsible member of the international community, cannot fail to take into account the political consequences of unilateral action to withdraw forces from Europe.

#### Type of Canadian Forces

If one agrees that Canada should continue to make an appropriate contribution to NATO forces in Europe, it does not of course mean that the character or level of our present contribution should remain static. Obviously, our contribution must relate to changing requirements. If, for instance, it should prove possible to reach agreement on mutual reductions of NATO and Warsaw Pact forces, this could affect the level of Canadian and U.S. forces in Europe. This is not, of course, the only arms-control measure which we seek in Europe. Indeed, as I have already indicated, the Government will support efforts to improve East-West relations and to achieve disarmament agreements, thereby increasing our security in Europe and in the world.

The specific form of our contribution is under continuing review and has, in fact, changed significantly over the years. One example will, I think, suffice to illustrate my point. In the middle Fifties, Canada provided 12 squadrons of F-86 interceptor aircraft to NATO. These were replaced in the early Sixties by eight squadrons of F-104 aircraft, six squadrons of which had a strike role and two a reconnaissance role. This year, as a result of attrition, we are reducing the number of squadrons of strike aircraft from eight to six. At some time in the 1970s, all the F-104 aircraft will be "phased out". At the appropriate time in the future, the Government will have to decide what position to take on a "follow-on" aircraft.

It will be apparent that changes of weapons of the kind I have illustrated are of necessity gradual. First, each national contribution represents only a part of the total forces available to the NATO commanders, and adjustments in these contributions must be "phased" into the overall plan. Secondly, the expense of modern weapons is such that a commitment, once the equipment has been procured and the training completed, cannot lightly be abandoned in favour of another commitment requiring new equipment and training.

### Summation

I have appreciated this opportunity to discuss some of the considerations affecting the Government's policy towards NATO. It seems to me that these support the argument that the continuation of the alliance will actually facilitate progress toward an eventual European peace settlement and can, in the meantime, assist in the improvement of East-West relations. A recent European visitor to Ottawa with a profound understanding of European problems put the issue to me very clearly. "NATO is essential to us," he said. "What other organization links Europe and North America, brings Germany into an alliance relationship with the other nations of Western Europe, prevents France and the other larger Western European states from dominating their neighbours, and makes it possible for the Western European nations to treat on a basis of equality with the Russians?"

I have also outlined certain considerations which suggest that the withdrawal of Canadian forces from Europe could disturb the fabric of co-operation and hence prejudice NATO's ability to contribute to the development of the kind of conditions in Europe necessary in the long run for the achievement of a European settlement. The maintenance of appropriate Canadian forces in Europe also serves to increase our links with the countries of Europe, which are so necessary in a world moving toward continentalism. At the same time, I should remind you of what I have said about achieving mutual reductions of forces between NATO and Warsaw Pact countries.

I have indicated that the precise nature of our contribution to the alliance is under constant review. Our future commitment will take into account the relevance of that commitment to collective security and to the major political objective of a peaceful settlement in Europe.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/10

### VIETNAM

Statement by the Honourable Paul Martin,  
Secretary of State for External Affairs,  
to the House of Commons Standing Committee  
on External Affairs, April 11, 1967.

I would like to be able to tell the Committee that the prospects in Vietnam are encouraging. In some respects I might be justified in saying that they are. In particular, I think there is reason to feel encouraged by the progress that is being made in South Vietnam towards the facts and forms of responsible government. In the wider perspective of the conflict, however, I must frankly confess that neither an end to the fighting nor the outlines of a political solution are as yet within sight.

In my presentation to the Committee this morning I would like to do three things. I shall begin by trying to set out in some detail what we know of the positions of the parties as they have emerged over the past year or so. I will then try to explore whether there is any basis on which it might be possible to break out of the present impasse. I will conclude my presentation by setting out some of the elements which we see as forming part of any eventual accommodation in Vietnam.

Before I proceed with my presentation, however, it might be useful if I were to restate briefly some of the salient aspects of the Canadian position in relation to the Vietnam conflict as I see it. I believe it would be useful to do that because there continues to be a good deal of misunderstanding of our position in the public debate which is going on in Canada about the Vietnam situation.

The first point which I think needs to be made in that regard is that Canada has no direct national interest to assert or maintain in Southeast Asia. Nor do we have any formal military or other commitments there. If we have been drawn into that part of the world, it has been solely as citizens of the wider world community. What we are doing in Southeast Asia is twofold: we are there on a peace-keeping mission on behalf of countries which do have a direct national interest in that area; and we are also there as a contributor to the collective effort to meet the rising expectations of the people in that area for a better life.



Second, there are responsibilities which we have in Vietnam as members of the International Commission. We have endeavoured to carry out these responsibilities with fairness and impartiality and we will continue to do so. I would be the last to deny that the course of events in Vietnam has in some important respects overtaken the mandate of the Commission. But there is agreement among all the parties that, as the representative of the Geneva powers, the Commission cannot simply wash its hands of the situation. There is also agreement that the Commission will have a role to play in the context of any final settlement and, quite possibly, in helping to pave the way for it. Because of these opportunities which are potentially open to the Commission, I believe I can say that it is the unanimous view of the three Commission powers that we are justified in maintaining our presence in Vietnam notwithstanding the anomalies and the frustrations of the present situation.

Third, apart from whatever role Canada may be able to play as a member of the International Commission, we have tried to use our national influence in promoting the course of peace in Vietnam. We have done this on the basis of our close relations with the United States and the access we have to the Government of the Democratic Republic of Vietnam in Hanoi, as well, of course, as the Government of the Republic of Vietnam in Saigon. I do not want to exaggerate the influence which a country like Canada can command in a matter of this kind, which has engaged the power and prestige of at least three of the great powers. Nor do I want to hold out any promise to the Committee that our efforts will turn out, in the end, to have been of more than marginal usefulness. But there is one thing of which I am sure and it is this: if our efforts are to be of any avail, they must be deployed within the limits of what the situation suggests is realistic. They are best directed towards arriving at some common denominator which the parties themselves are prepared to accept as reasonable. We will neither bludgeon nor shame the parties into accepting a course of policy which they regard as being contrary to their basic national interest. And this is something which I would ask those who would have us follow a different course to remember.

Fourth, the Canadian Government has made it clear that it is prepared to make its own contribution to an eventual settlement in Vietnam. Such a settlement is almost certain to involve some form of international presence which will afford to the parties concerned the necessary guarantees that the terms of the settlement are being fairly and effectively carried out. If, in the light of our first-hand experience of the Vietnam problem over the past 13 years, Canada were to be asked to participate in an international peace-keeping effort in Vietnam, whether under the auspices of the Geneva powers or under those of the United Nations, I am sure that we would be prepared to accept such a responsibility within the limits of our capacity. We have also recognized for some time that, in the aftermath of any settlement, it is likely to be necessary for interested countries to mount a collective effort for the economic recovery and rehabilitation of all parts of Vietnam. I want to remind the Committee that our commitment to contribute to such an effort is on the record and that we will meet that commitment when the time comes.

So much for the Canadian position in relation to the conflict in Vietnam.

It is now almost exactly two years since the major parties to the Vietnam conflict began publicly to define their positions in regard to a settlement of the Vietnam conflict. In the case of the United States, I would date that process as having been initiated by President Johnson in his address at Johns Hopkins University on April 7, 1965, when he first announced the willingness of the United States to enter into unconditional discussions with the other side. Almost by coincidence, the first public definition of the position of the Government of North Vietnam was given by Prime Minister Pham Van Dong on the following day -- that is, April 8, 1965 -- in a report to the North Vietnamese National Assembly. The position then set forth took the form of the now familiar four points to which, to my knowledge, the Government of North Vietnam remains firmly committed.

In a sense, therefore, it may be said that a process of public negotiation has been in progress between these two governments over the past 24 months. We have regarded this process as useful and encouraging. At the same time, we have always recognized that there were limits to this process and that, sooner or later, efforts would have to be made by third parties to bring the two sides into some form of direct contact.

As the Committee is aware, that was the essential purpose of the two missions which Mr. Chester Ronning undertook on behalf of the Canadian Government in March and June of 1966. Put in its simplest terms, what we asked Mr. Ronning to explore in the course of those two visits was whether there was any minimal basis on which it might be possible to arrange for bilateral contact between representatives of the United States and the Democratic Republic of Vietnam without commitments of any kind on either side. This seemed to us at the time, and still seems to us, to be a valid approach. The issues at stake in Vietnam are such that no third party could probably presume to negotiate them on behalf of one side or the other. Nor, I think, would such a course be acceptable to the parties to the present conflict. And if that is so, the conclusion which necessarily follows is that the efforts of third parties are best directed towards enabling the parties themselves to enter into such a negotiation at the earliest possible time and before the mounting lack of confidence on both sides makes the possibilities of peaceful accommodation in Vietnam recede beyond reach.

In the discussions which Mr. Ronning had with the Prime Minister and other senior personalities of North Vietnam, it became apparent to us that, as far as the North Vietnamese were concerned, the bombing of North Vietnam represented the key to any efforts which might be made to bring the two sides into direct informal contact. This conclusion, which we reached in the light of Mr. Ronning's first visit to North Vietnam in March of last year, has since been borne out in the official public statements of the Government of North Vietnam. I think the Committee might find it helpful, therefore, if I were to try to say something more about the North Vietnamese position on this subject as I understand it.



As the Committee is aware, the Foreign Minister of North Vietnam, in an interview with the Australian journalist Wilfred Burchett in January of this year, explained the position in the following terms:

"If (the United States) really wants talks, it must first halt unconditionally the bombing raids and all other acts of war against the Democratic Republic of Vietnam. It is only after the unconditional cessation of United States bombing and all other acts of war against the Democratic Republic of Vietnam that there could be talks between the Democratic Republic of Vietnam and the United States".

I do not want to suggest to the Committee that this is the whole position of the Government of North Vietnam as regards a solution of the Vietnam conflict. As far as that is concerned, the Government of North Vietnam continues to stand by its four-point programme, which it regards as reflecting the fundamental principles and provisions of the Geneva settlement of 1954 and as representing the most correct political solution of the Vietnam problem. It is only in respect of finding a basis for bilateral contact between the United States and North Vietnam that the matter of the cessation of the bombing has been put forward as a prior and unilateral condition.

The question has been raised in some quarters as to whether, if there was a cessation of the bombing of North Vietnam, this would have to be permanent as well as unconditional. The Committee will note that, in the passage which I have quoted from the interview given by the Foreign Minister of North Vietnam, only the word "unconditional" appears. The same is true of a similar passage which occurs in President Ho Chi Minh's reply of February 15 to President Johnson. I am bound to say, however, that, in other passages, both in the Foreign Minister's interview and in President Ho Chi Minh's message to President Johnson, the word "definitive" is used along with the word "unconditional" in setting out the requirements of the Government of North Vietnam on this subject. Furthermore, if there was any lingering doubt on this score, it was removed by the North Vietnamese representative in Paris in a conversation with reporters from the New York Times on February 22. In that conversation the North Vietnamese representative is quoted as saying that any cessation of the bombing which was not clearly labelled as permanent and unconditional would leave the threat of bombing intact and would thus constitute an unacceptable interference with whatever talks might then be in progress between the two sides. When he was asked how a distinction could in practice be drawn between a temporary and a permanent halt to the bombing, the North Vietnamese representative answered that the United States would have to declare at the outset that the halt was both permanent and unconditional. In any event, it seems to me that North Vietnam could logically say no less since anything less would amount to saying that the United States could resume the bombing if Hanoi did not meet Washington's conditions.

There has also been some question as to whether Hanoi would require the United States to accept its four-point programme before being willing to enter into any direct talks with them. On the basis of what Prime Minister Pham Van Dong told Mr. Harrison Salisbury at the beginning of January this year, I would judge that acceptance of the four points would not be regarded



by North Vietnam as a pre-condition to such talks, although the four points would almost certainly figure prominently on any resulting agenda.

To summarize, therefore, the North Vietnamese position would appear to be as follows. If the United States ceases the bombing and all other military action against North Vietnam permanently and without condition, the Government of North Vietnam would be prepared to enter into direct talks with representatives of the United States. The further information we have suggests that such talks could be initiated within a reasonable interval after the cessation of the bombing, such an interval being presumably required by the North Vietnamese side to give effect to their argument that the holding of talks would not, in fact, be regarded as a "condition" of the cessation of the bombing.

I think it is only fair that I should set out the United States reaction to this proposition, which I understand to be as follows: As regards the matter of talks, the United States Government would be prepared to enter into such talks with representatives of the Government of North Vietnam at any time and without any prior condition whatsoever. As regards the matter of a reduction in the scale of hostilities, the United States would be prepared to discuss such a reduction on a basis of reasonable reciprocity. What the United States is not prepared to do, so far as I understand it, is to discontinue for good what they regard as a significant aspect of their military activity in Vietnam in return for a mere undertaking on the North Vietnamese side to enter into bilateral talks.

Perhaps I should say something at this point about the recent series of proposals for putting a halt to the conflict in Vietnam which have been put forward by the Secretary-General of the United Nations. Some 13 months ago, the Secretary-General first developed a proposition which envisaged the following three steps: a cessation of the bombing of North Vietnam by the United States; a mutual de-escalation on the ground in South Vietnam by both sides; and a negotiation involving all the parties which are actually fighting in Vietnam -- that is to say, including the Viet Cong.

As far as I know, the Government of North Vietnam does not object to the first and third points of the Secretary-General's proposal. To my knowledge, however, they have not at any time specifically endorsed the second point, which envisaged a mutual de-escalation in South Vietnam.

The reply of the United States to these proposals was made by Mr. Goldberg in the General Assembly on September 22. As I interpret that reply, it expressed the willingness of the United States to stop the bombing of North Vietnam as a prior and unilateral act on the understanding, which could be conveyed either in public or in private, that there would be a reasonable measure of military reciprocity on the other side within a given interval of time. The United States also reiterated at that time that they did not regard the problem of affording the Viet Cong an opportunity to make their views heard at any future conference as insurmountable.

In the light of these reactions, the Secretary-General apparently decided that an adaptation of his proposals might be able to overcome the difficulties which the parties evidently had in accepting them in their original form. Accordingly, he discussed with representatives of North Vietnam in Rangoon and subsequently formulated in writing on March 14 an adaptation of his original proposals on the following lines: As a first step, there would be a general stand-still truce by all parties to the conflict; the parties directly involved in the conflict would then enter into preliminary talks, with or without the assistance of the Co-Chairmen of the Geneva Conference of 1954 and the members of the International Commission, the purpose of such talks being to reach agreement on the terms and conditions for reconvening the Geneva Conference; these preliminary talks would be followed by the holding of the actual conference, with the participation of all those who are actually fighting and with the object of returning to the essentials of the original Geneva settlement.

These revised proposals were accepted in their essentials by the United States. In signifying their acceptance on March 18, the United States pointed out, however, that they would expect the Government of South Vietnam to be appropriately involved throughout the entire process envisaged by the Secretary-General. They also implied that a stand-still cease-fire could not be automatically brought about without prior discussion either directly by the two sides or through some other channel. The note indicated that the United States, for its part, was prepared to enter into such discussions without delay.

While I have not seen the reply made to the Secretary-General's proposals by the Government of North Vietnam, I understand that these proposals did not commend themselves to that Government to the extent that they appeared to place the United States and North Vietnam on the same basis, whereas it is the contention of the Government of North Vietnam that a distinction must be drawn between the United States as the "aggressor" and North Vietnam as the "victim of aggression".

It is my understanding that the Secretary-General still stands by the proposals he put forward on March 14. I also understand that he would not wish his more recent public comment on a speech by Senator Joseph Clark to the National Convention of Americans for Democratic Action to be regarded as representing a new proposal or appeal. In view of the great dangers inherent in the continuation of the present conflict, however, the Secretary-General appears to have concluded that it might be necessary for his own proposals to be given at least initial effect by a unilateral initiative on one side or the other. And it was presumably with these considerations in mind that he gave his personal endorsement to Senator Clark's suggestion that the United States give a unilateral undertaking to put a stand-still cease-fire into effect and thereafter to fire only if fired upon.

As regards our own position, I would like to say only this. We have maintained all along that the settlement of this conflict will require concessions on both sides. I believe that this is a view which is widely shared, regardless of how the rights and wrongs of the Vietnam conflict are interpreted.



In response to those who have asked the Government to dissociate itself from the bombing of North Vietnam by the United States, we have made it clear that we would, indeed, like to see the bombing stopped, but that we would also like to see the infiltration stopped, and that we would like to see negotiations looking towards the peaceful solution of this conflict begun. As I indicated to the House on April 4, it is from this general perspective that we endorsed the Secretary-General's proposals of March 14 and that we shall continue to judge all proposals which are aimed at putting a halt to the fighting in Vietnam.

As far as the Canadian Government is concerned, Mr. Chairman, it will continue to be the object of our diplomatic efforts to try to establish a basis on which the two sides might be brought together. There is, of course, no dearth of formulas for trying to do that. But the fact remains that the test of any such formula is its acceptability to both sides. This has been the experience of the Secretary-General; it has been our own experience; and it has been the experience of other countries which have tried to play a helpful part in this matter.

This does not mean, however, that any of those who have tried to lend their good offices to the parties intend to abandon this effort. Certainly, as far as Canada is concerned, I can assure the Committee that we have no intention of doing that. The question that arises is whether there is any new direction which it might be worth exploring in the hope that it might avoid the impasse which has apparently now been reached and which has brought us to the point where, for the first time in some 16 months, no new initiatives, either public or private, appear to be within sight.

It seems to me that, in trying to bring this conflict to a halt, the same principle may be applicable which we have found, in practice, to be applicable to the process of general and complete disarmament. In essence, that principle is that there must be a condition of parity between the two sides at all stages of the process. That is to say, care would have to be taken to avoid a situation where either side is placed, or considers itself to be placed, in a position of relative disadvantage at any given stage.

Having that principle in mind, I wonder whether it might not be worth while to take another look at some of the terms of the 1954 Agreement. The core of that Agreement lies in the concept of a cease-fire and a disengagement of forces. Surely that is what we are seeking today as a matter of first priority. Would it be going too far to suggest that some thought might now be given to the possibility of discussing a stage-by-stage return to the Geneva cease-fire arrangements as a first step towards a more permanent settlement which would necessarily have to encompass many other factors? Of course, the cease-fire arrangements are only one aspect of the Geneva settlement and I recognize the difficulty of trying to persuade the parties to return to one aspect of the settlement in the absence of some preliminary understandings at least as regards the basis on which the other, and more intractable, aspects of the settlement might be tackled in a subsequent negotiation. Accordingly, it may well be necessary to envisage a progressive re-application of the 1954 cease-fire terms as an agreed preliminary to direct discussions between the two sides



and as something which would of itself help to create a favourable climate for such discussions.

If there were any merit in an approach on these lines, I could envisage it being carried out in four stages.

The first step should involve some degree of physical disengagement of the parties. This might be accomplished by restoring the demilitarized character of the zone on either side of the 17th Parallel by the withdrawal of all military forces, supplies and equipment from that zone, by enforcing a prohibition against any artillery action across the zone, and by barring any overflights of the zone except for purposes of impartial supervision. At the same time, it would be necessary to reactivate those provisions of the cease-fire agreement which prohibit either North or South Vietnam to be used for the carrying out of hostile acts against the other. In my view, this would, in equity, have to include the bombing and any other military action against North Vietnam, whether actually undertaken from South Vietnam or from some other point of origin.

Second, I think it would be necessary to freeze the course of military events in Vietnam at its present level. This might entail undertakings on both sides not to engage in any military activities which differed, in either scale or pattern, from the activities which are currently being engaged in. It might also entail the practical re-application, as from an agreed point in time, of those articles of the Geneva Cease-Fire Agreement which prohibit reinforcement of troops or arms, munitions and other war material into North or South Vietnam from any source or quarter.

The third stage of such an approach would logically involve the cessation of all active hostilities between the parties, whether on the ground, at sea or in the air.

The fourth and final stage would complete the process of return to the cease-fire provisions of the Geneva settlement. At that stage, provision would have to be made for the liberation and repatriation of prisoners, for the withdrawal of all outside forces whose presence in the area of conflict was not provided for at Geneva, and for the dismantling of military bases or their conversion to peaceful purposes.

I have been concerned to sketch out one line of approach to ending the present conflict which seems practicable to me and which, in addition, has behind it the sanction of the Geneva arrangements to which both sides have said that they continue to subscribe.

Any such approach, however, would clearly have to be acceptable to the parties concerned. I want to be perfectly frank with the Committee and say that, on present evidence, I am not very optimistic on that score. For, while it is true that both sides are prepared to subscribe to the objective of a return to the Geneva arrangements, I am not so sure that they are at one in their interpretation of what that objective implies or as to the means by which it can best be achieved. In particular, of course, we cannot be

unmindful of the position of the Government of North Vietnam, which is that they cannot accept any proposal which treats both sides on a basis of strict equity because this would ignore the factor of responsibility for the present conflict as they see it.

If this approach or any variant of it were to commend itself to the parties, the International Commission might have a special role to play in translating these general ideas into concrete proposals and, in due course, providing the required guarantees that they were being properly implemented on both sides. I would also like to point out to the Committee that this particular approach is one which the Commission might be fully justified in putting to the parties and to the other members of the Geneva Conference who have an obvious interest in any proposal designed to ensure that the Agreement on the cessation of hostilities in Vietnam is respected.

There is one further point which I should like to leave with the Committee. We have said consistently that we regard a purely military solution of the conflict in Vietnam as neither practicable nor desirable. I would like to take that proposition one step further today and say this: On the basis of all the knowledge I have of the proposals that have been made and the initiatives that have been taken over the past 16 months, I am doubtful if it will be possible to solve the purely military aspects of this conflict without at the same time tackling the political questions which lie at the root of it. As I have already suggested, this applies to the approach I have outlined to the Committee, as it would to any other approach to this issue.

The simple fact is that these aspects are interrelated and that progress on one front may well depend on progress being made on the other. I am inclined to think that the recent experience of the Secretary-General bears out this impression. On the face of it, a stand-still cease-fire does not look as if it should involve any inordinate problems for either side if there was a willingness in principle to stop the fighting. On second thought, however, it will appear that such a cease-fire does pose problems for both sides to the point where one side cannot envisage such a move being made without prior discussion, if not negotiation, while the other cannot, apparently, see it being made at all in present circumstances. It is my considered view that, apart from any possible military problems, there are political problems posed by this proposal which are such as to have a bearing on the terms on which the conflict may eventually be resolved.

The underlying political issue, as I see it, are the ultimate political arrangements in South Vietnam and the willingness of others to allow those to be worked out by the South Vietnamese people without interference from any quarter. One aspect of this issue, of course, is the status of the Viet Cong. What is at stake here is not really their representation at any eventual conference-table but the terms of their participation within the ultimate political structure of the country. These are the really crucial points which will have to be resolved and on which, I am afraid, the position of the parties are as far apart as ever.



It is clearly not for Canada, any more than for others, to prescribe to the South Vietnamese people how to order their affairs. I have made it clear that we regard a continuance of the present division of Vietnam into two communities as probably unavoidable for the time being, if only to allow the scars which have been opened by the conflicts of the past quarter-century to heal and for new dispositions to be agreed for the eventual reunification of Vietnam. It will be for the people in the two parts of Vietnam to decide how soon and under what conditions the first steps towards reunification can reasonably be taken. I am convinced that there is a basic desire for reunification in Vietnam, as there is in other divided countries. At the same time, it seems to me, on the basis of recent statements, that there is also a realistic appreciation on both sides that reunification is not something which is likely to be accomplished overnight.

Whatever the prospects of early progress toward actual reunification, I would hope that, once the hostilities have ceased, a basis can be laid for a genuine reconciliation between the two communities. I appreciate that this may not come about either quickly or easily. But I am sure there is much to be said for the early opening of channels which respond to the interests of the people of Vietnam on both sides of the temporary dividing-line. I have in mind, in particular, such matters as the reunification of families, the establishment of at least minimum facilities of communication, and the institution of commercial exchanges on a basis of mutual advantage. It is around such a nucleus of common interest that I believe the foundations for the eventual reunification can most securely be laid. And, if any international presence in Vietnam could lend its good offices in that direction, I would hope that this is something which could be explored.

I have already had occasion, at the outset of my presentation, to comment on recent constitutional developments in South Vietnam. We welcome these developments, which are likely to culminate in the election of a genuinely representative government before the end of the current year. We would like to think that, once the hostilities have ceased and a settlement of the present conflict has been reached, the constitutional structure that is currently being evolved will be strong enough and flexible enough to accommodate all segments of the South Vietnamese people who are prepared to play their peaceful part in the political life of South Vietnam.

When I last spoke to the House, I said that we could see merit in proposals which are being made for the neutralization, in due course, not only of Vietnam but possibly of a wider area in Southeast Asia. I continue to think that such proposals may well offer a promising basis for political arrangements in that area. I think it important, however, that, whatever arrangements are ultimately arrived at, they cannot be imposed on the countries of the area against their will. They must be such as to reflect the genuinely held preferences of these countries based on an assessment, which each country can only make for itself, as to the course which is most likely to serve its own best interests and those of the area in which it is situated.



That, Mr. Chairman, concludes my review of the Vietnam situation. I cannot say that I assess the prospects in the short term any too hopefully. I say this because, so far, the simple formula which will bring the two sides together without raising other intractable issues has eluded all those who have tried. I can assure the Committee, however, that the Government remains committed to the search for a solution of this conflict. I am in close touch with the representatives of all countries which may be in a position to help in this matter -- in particular, of course, our Commission partners, with whom we hope it will be possible to concert our efforts in the right circumstances. I am firmly convinced that there is a role which Canada will be called upon to play in Vietnam in one form or another, and we are now looking into the results of our experience over the past 13 years to determine how best we can play that role when the time comes.

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# STATEMENTS AND SPEECHES

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No. 67/11

## THE ROLE OF THE UNITED NATIONS IN INTERNATIONAL DEVELOPMENT: THE CANADIAN CONTRIBUTION

A Speech by Mr. Donald S. Macdonald, Parliamentary Secretary to the Honourable Paul Martin, Secretary of State for External Affairs, delivered in place of Mr. Martin to the City View Kiwanis Club, Ottawa, on May 3, 1967.

...This year, as we celebrate the centennial of Confederation, we have a special reason to reflect on what Canada has accomplished in the last 100 years, and on what Canada means to us today.

But we cannot afford to be concerned only with the past, or with what is happening inside our borders. We must also take a hard look at Canada's place in the international community.

Last week-end, we were honoured by the visit of Emperor Haile Selassie of Ethiopia, the first of many distinguished visitors we shall be welcoming to Ottawa and to Canada this year. It is, I think, a tribute to the important place Canada occupies in the community of nations that so many outstanding world leaders have accepted our invitation to visit Canada during 1967, to see Expo and to join us in celebrating our centennial.

As Secretary of State for External Affairs, I am responsible for advising the Government on Canada's relations with other countries of the world. This includes our participation in the increasingly complex and significant work of the United Nations, and its associated international agencies.

Canada was, of course, a founding member of the United Nations in 1945. We are convinced that the United Nations, representing the ideal of collective international action, is an essential tool in building a peaceful and more secure world, free from the threat of violence and war. Canada has, therefore, been a firm supporter of the United Nations from the beginning.

One of the most serious and searching challenges facing the international community today is widespread hunger and poverty, particularly in the continents of Asia, Africa, and Latin America. This problem concerns not only the less-developed countries; it concerns the entire world. The United Nations, embracing nearly all the countries of the world and founded on the



ideal of international co-operation to achieve common goals, must help to stimulate the international effort required to overcome world hunger and poverty through development.

This evening, I propose to speak briefly about the contribution being made to international development by the United Nations and its associated agencies, and of the support which Canada is giving to this aspect of United Nations activities.

During the first years of the United Nations, the most pressing concern of member states was, quite naturally, the prevention of another war. Peace and security provisions were carefully spelled out in the Charter, but the passages relating to economic development were less clear. Nevertheless, the foundations were laid for an active United Nations role in economic development, to achieve the conditions necessary for peace.

There was, for example, provision in the Charter for a special organ of the United Nations -- the Economic and Social Council -- which would be primarily responsible for United Nations activities in the economic field. In addition, a number of Specialized Agencies were created, or associated with the United Nations system: the Food and Agriculture Organization (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the International Labour Organization (ILO), the World Bank (IBRD), the International Development Association (IDA), the International Monetary Fund (IMF), and others.

As more and more countries gained independence and became members of the United Nations, the organization underwent a fundamental change. The leaders of the newly-independent member states looked to the United Nations for assistance in achieving economic development, to make their political independence more stable and meaningful. The United Nations has responded by undertaking responsibilities in the development field, to a degree quite unforeseen when the Charter was drafted.

The magnitude of the United Nations commitment to international development at the present time is revealed by a single statistic: four-fifths of the financial and manpower resources available to the United Nations system are now being applied to development questions.

The extent to which the United Nations would be called on to concern itself with international economic development only became fully apparent in 1964, with the holding of the first United Nations Conference on Trade and Development, now known everywhere as UNCTAD. At that Conference, 77 member states of the United Nations, well over half the total membership, were united by their common poverty in putting the world on notice that a greater international effort to achieve development was required.

Although the organization established at the first UNCTAD conference has been in operation for less than three years, it has already proved of major value in focusing world attention, as never before, on the host of problems which must be squarely faced if we are to succeed in the great task of raising

the living standards of the poor nations. Aid is one front on which these problems can be attacked, and the UNCTAD has done much to encourage study of the ways to increase the flow and improve the terms of the resources which industrialized nations make available to the under-developed nations. But if the latter are ever to acquire the means to finance the imports essential for their development, their earnings from the goods they export to world markets must be substantially increased. This in turn implies improvements in marketing conditions for the raw materials these nations sell abroad, as well as adjustments which will permit them to expand and diversify their sales of manufactured goods.

Canada, as a nation dependent upon expansion of international trade, supports soundly-conceived innovations which will lead to broader participation by all nations in the international trading system. In the long run, we believe that all stand to gain if the greatest number of countries are able to prosper from the expansion of world trade.

The second UNCTAD conference, which will convene in India early in 1968, will provide the opportunity to review what has been done since 1964 and will set the course for our future efforts to expand and enhance the effectiveness of development aid and improve the trade opportunities open to the low-income countries.

To layman and specialist alike, the problems of economic development and international trade are complex and often difficult to grasp, the solutions much more so. But it is clear that the future of Canada, its prosperity and its security, depends to a considerable degree on the response which Canada and the other economically-advanced countries make to the needs of the under-developed world. Difficult as these questions may be, we cannot avoid them.

It is a source of great satisfaction to me that Canada has, in recent years, been able to increase its contribution to international development through its aid programmes. As many of you know, the Government has accepted the target of one per cent of national income as the measure of Canada's allocations for development assistance and plans to achieve this goal within the next three or four years.

A great proportion of Canada's aid is provided directly to other countries through bilateral programmes. But, in keeping with our belief in the vital importance of the United Nations and in the role which it can and must play in international development, a significant proportion of our aid funds is placed at the disposal of the United Nations and its associated international agencies.

In 1967, Canada ranks fourth among the contributors to the United Nations Development Programme, and second in contributions to the World Food Programme. Substantial Canadian contributions to these and other United Nations agencies are made on the basis of annual supporting grants. Canada also makes loans and advances to the World Bank, and its affiliated organizations, the International Finance Corporation and the International Development Association. The Bank is closely related to the United Nations.

While we have every reason to be proud of what Canada is doing, through the United Nations and in other ways, the task of international development is so great that we cannot allow our efforts to lag. At the present time, the average annual per capita income in the world's wealthiest country, the United States, is 25 times the average annual per capita income in the developing countries. But, if present rates of economic growth continue, by the year 2,000 the average per capita income in the United States will be 35 times that in the developing countries.

Because of the strength the United Nations draws from its universal approach, it offers an effective forum for encouraging the developing countries themselves to work out policies designed to facilitate development. There is, for example, no doubt about the need for measures to cope with rapid population growth, to bring about land reform, and to promote efficient, competent and honest administration. And these measures can only be effectively undertaken by the developing countries themselves, in accordance with their own cultural values and institutions.

But the developed countries, including Canada, will have to play their full part. They will have to be prepared to share their wealth through programmes of development assistance; and they will have to open their markets to the products of the new industries in the developing countries. All countries will have to co-operate within the framework of the United Nations system, and, bilaterally, in working out programmes which will be effective in accelerating development. Goodwill is needed, but so also are careful planning and sound administration, to ensure that available resources are effectively used.

It is in the interests of Canada, and of all Canadians, that our country should participate fully in the task of international development.

Because we believe that the United Nations must be steadily strengthened as a potent factor working for world peace, we shall support its efforts, and those of its affiliated agencies, to make an impact on the problems of hunger, disease, and ignorance which necessarily preoccupy so many of its members.

Because we believe that Canada's own future prosperity and progress cannot be secured in isolation from the rest of the world, we shall play our full part in the world-wide task of international development, the part which we must play if Canada is to be a "good citizen of the world".





# STATEMENTS AND SPEECHES

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No. 67/12

## CANADA'S ROLE IN SUPPORTING UNITED NATIONS PEACE-KEEPING EFFORTS

Lecture by the Honourable Paul Martin, Secretary of State for External Affairs, in the First Series of the Jacob Blaustein Lectures, Columbia University, New York, April 26, 1967.

It is appropriate to begin this series of lectures with the subject of Canada's role in supporting UN peace keeping. Keeping the peace is the primary purpose of the United Nations and is, therefore, of great significance in itself. I have in mind more especially, however, that Canada's policies in support of peace keeping are particularly relevant to an understanding of the Canadian outlook on the world. For reasons which have to do with our geography, our resources and our relatively recent development as an independent state, we have chosen, perhaps unconsciously, to concentrate a good deal of our foreign policy energies in the realm of international organization. It would not be fanciful to suggest that, having few illusions about the past to shape our conception of the national interest, we have tried to frame our policies more fully in terms of future international requirements and responsibilities. It so happens, as well, that to play our distinctive part in the building of international institutions corresponds to the Canadian urge to look outwards, to find, if we can, a counterweight to the enormous, if benign, influence of our great neighbour. We have been fortunate, moreover, to have had some extra margin of wealth and stability to devote to these purposes. If my remarks suggest, therefore, that Canada's interests often coincide to a degree that is unusual with the efforts of the UN to keep the peace, I shall be well satisfied.

Some of you will be accustomed to reading in the press about stalemate, deadlock or failure at the UN on the subject of peace keeping. These reports are, of course, discouraging. Yet they are also partial. They do not reflect the fact that, while there is disagreement in New York, there is action in the Middle East, or in Cyprus, or in Africa, which helps to preserve the peace. On the one hand, the General Assembly has not been able to reconcile the differences which divide member states over questions of principle, but, on the other hand, these same member states have responded to clear and urgent requirements to initiate and to keep in being UN forces and teams to patrol, to supervise and to conciliate.

The disagreements are hardly surprising. For the first time in human history, something resembling a world community is emerging from the dissolution of empire and the simultaneous spread of technology. Everywhere men pursue the same goals. Yet few are able to measure significant progress in reaching them. Disparities in national wealth, the indignities of racial discrimination, the rivalries stimulated by artificial boundaries and uncertain loyalties -- all of these generate tension and conflict on a scale which is world-wide. Yet, if the complexities are greater, so is our determination to act together to find solutions.

If we do not act together, then the dangers of losing control are all too familiar to our post-Hiroshima generation. Every schoolboy has heard the term "escalation" and knows immediately to what it refers. This, too, is a new phenomenon. In the past governments have been prepared to go to war if necessary to gain their ends or to defend their interests, knowing that defeat, while never expected, would not destroy the nation state itself. Today no government can take or contemplate military action, whatever the reason, without a strong sense of the limits beyond which all such action would be suicidal.

Thus, on the one hand, the conditions which make for conflict and the use of armed force in world affairs are of unprecedented scope. On the other hand, the potential effects of modern weapons impose on the conduct of states and the calculations of statesmen unprecedented limits. In these circumstances, the UN is bound to be both a battlefield and a conference room. It must reflect as well as contain the impulse for change. It has served, in the words of one student of the subject, as the registrar of prudential pacifism.

The conditions I have just described were not all foreseen by the founders of the UN. Certainly, none would have imagined a membership of 122 states after only 22 years. Nor could they have anticipated that one of the major premises of the Charter would prove to be unworkable. This was the assumption that the permanent members of the Council would co-operate in order to maintain peace. True, the statesmen of 1945 were not so naive as to expect such co-operation to be automatic. But they did assume that without great-power understanding the security system laid down in the Charter would not function. The governments which had won the war were quite naturally determined that it should not happen again and that the combined strength of China, France, the U.S.A., the U.S.S.R. and the U.K. should serve to deter any potential aggressor. If these powers could not agree, it was thought, then no security system could save the peace.

It was not until later that peace keeping by consent, as we now understand it, and by the lesser powers, came to be regarded as the standard form of UN military action. It was this reversal, however, which enabled Canada to participate in peace keeping in quite unexpected ways. Instead of the great powers banding together to threaten any aggressor with overwhelming force, the middle and small powers were called upon to police situations which otherwise might have led to great-power intervention.

Canada emerged from the Second World War with military capacities and economic strength second only to that of the great powers. It had developed close working relations with the U.S.A. and British Governments, and from an early stage was consulted about the post-war institutions and arrangements which were under discussion by these powers. It was aware, therefore, both of a new-found status in world affairs and anxious to enter into commitments which would satisfy this status. Bismark is said to have once remarked about a European rival that it had developed an appetite for power without the teeth. About Canada it might have been said after the war that it had developed both the appetite and the teeth for a new international role. This was in sharp contrast with Canada's pre-war policies, which, by and large, had been directed to avoiding commitments and involvement in the affairs of the world even though it remained a member of the League of Nations.

At San Francisco, therefore, Canada directed its efforts towards strengthening the provisions of the Dumbarton Oaks proposals in respect of the rights and responsibilities of the so-called middle powers. Canada pressed strongly for the adoption of qualifying rules for election to the Security Council which would recognize the contributions member states might make to the maintenance of international peace and security. This idea was incorporated into Article 23 of the Charter. Canada was also responsible for the adoption of what became Article 44 of the Charter, providing for consultation between a member state and the Council before the latter called for the provision of that member's armed forces for enforcement action. The Prime Minister of Canada explained at the time that the imposition of sanctions would "raise especially difficult problems for secondary countries with wide international interests" because, while the great powers would be able to prevent by the veto any decision to impose sanctions, the so-called secondary countries would apparently not have any choice in the matter, despite the possibility they would be called upon to participate. Thirdly, Canada was responsible for the provision of the Charter now incorporated in Article 24(3) which requires the Security Council to report periodically to the General Assembly. The purpose was to give the Assembly some sense of supervision of the Council's acts, although it has not turned out that way. On all these issues, Canada pursued policies which were consistent with its wartime record and its post-war position as a leader of the secondary powers.

In subsequent years, Canada continued to look for and to follow policies which satisfied these general capacities and needs. We fully expected to play our proper part in the building of the collective security system sketched in Chapter VII of the Charter and we were alarmed and disappointed by the early signs of disunity in the Security Council and by the breakdown in 1947 of negotiations between the permanent members of the Council on the question of UN armed forces. We were obliged to turn elsewhere for the satisfaction of our security requirements. Yet, even as we ratified the NATO Treaty in 1949, we did not despair of the UN's capacity to fulfill its primary purpose. The present Canadian Prime Minister, Mr. Lester Pearson, said in Parliament at the time, for example, that "the North Atlantic Treaty will serve as an instrument which...will make it possible for (the free democracies) to use the UN with greater confidence and more hope of success".



The UN action in Korea was an apparent fulfillment of these hopes. Canada regarded it as the first effective attempt by the UN to organize an international force to stop aggression. We had contributed for the first time to a UN peace-keeping operation when military observers were sent to Kashmir in January 1949. We had also supported the Secretary-General's proposal for a UN field service. But it was not until 1950 and the opportunities provided by the decision to resist aggression in Korea that we began to organize the procedures and to think in the terms which we have followed since.

The Canadian Army Special Force, raised for service in Korea, would, we hoped, have a continuing function in carrying out Canada's obligations under the UN Charter. We urged other member states to earmark national contingents so as to be better prepared to resist aggression if and when called upon to do so by the UN. We welcomed the establishment by the Assembly of a Collective Measures Committee, to look into the details of joint military planning. We appointed a representative to a UN Panel of Military Experts. Yet, once the Korean emergency had passed, the UN was to hear little more of these bodies. For the members of the NATO alliance, in particular, the strains and pressures arising from the military build-up in Europe soon pushed into the background the schemes for strengthening the UN. Moreover, after 1955 the character of the UN began to change. New member states added their distinctive interests to the torrent of talk and paper. The Western members no longer enjoyed the influence they had been able to bring to bear five years before.

In 1956, however, the development of crisis conditions in the Middle East enabled the UN once again to take measures which revived Canada's interest in defining its contribution to collective security. It was the UN Emergency Force which was to be the fruitful precedent for the growth of the concept of peace keeping. For the first time, organized military forces were deployed and commanded without participation by the permanent members and outside the framework of the cold war. Canada made a special contribution to the ideas behind the new Force, as well as providing its first Commander. On the one hand, it was a matter of urgent importance to us that some way should be found to bridge the gap which had opened up between our traditional European allies and the U.S.A. On the other hand, we saw in the situation an opportunity to implement the ideas we had put forward six years before at the time of Korea.

This is not the place to describe the characteristics of peace-keeping forces as they were defined by Mr. Hammarskjold in the light of the UNEF experience. What I wish to emphasize is that the lesson we drew from our participation in the Force was a further refinement of the earmarking idea. In addition to the desirability of governments themselves earmarking contingents for peace keeping, we concluded that the UN Secretariat must be enabled to plan ahead in advance of the next emergency. It was just ten years ago that the present Prime Minister of Canada proposed, in an article which appeared in Foreign Affairs, that governments be invited to signify a willingness to contribute contingents to the UN for non-combatant purposes and that some central UN machinery be created to make advance arrangements and to direct future operations. Since 1957, Canada has itself made arrangements for units of its armed forces to be on standby duty for possible service with the UN.

Canada still participates in the UN Emergency Force, ten years after its formation. The nature of our contribution has changed as the size of the Force has diminished. Yet the circumstances which brought about its despatch to the Middle East have not appreciably changed. Two questions arise. What have we learned about peace keeping during these ten years? If the UN is to stay in the peace-keeping business (and experience suggests it will), how is responsibility for this task to be shared amongst the member states?

Let me first try to summarize what we have learned, based not only on our participation in UNEF but on our subsequent participation in the Congo Force, the Cyprus Force and in a number of UN observer groups sent to patrol frontiers and supervise cease-fires. The first conclusion to be drawn is that each operation is different and that no standard political guide-lines will serve to prepare for the next. In the Middle East, for example, we have been called upon to supply a variety of needs, including administrative and maintenance support, mobile ground reconnaissance, air reconnaissance, and air transport. In the Congo we were asked to provide signallers. In Cyprus the need was for an infantry battalion. Again, the mandates of these various forces and groups have been different, ranging from defensive military action in the Congo to observation and reporting in the Yemen. The observers who went to Lebanon in 1958 did not have the same job as those in the UN Truce Supervision Organization who were already stationed on the borders of Israel.

In addition, the composition of each operation has varied with the political and social circumstances. Obviously, it is desirable, for example, that troops from African countries should be available for peace-keeping duties in Africa under UN auspices. In Cyprus, it makes more sense for troops from Western countries, broadly speaking, to be doing the job. On the other hand, the UN cannot restrict itself to a regional pattern of composition, for by definition a UN force represents the organization as a whole. The Canadian, Scandinavian and Irish troop contributions to the Congo Force demonstrated that non-regional assistance may be desirable not only for political reasons but for reasons of technical efficiency and experience. I would conclude, therefore, that ad hoc methods of raising forces and some improvisation in planning is an element of contemporary peace-keeping experience which we shall have to accept. This does not mean that planning cannot be done in advance, and I shall make some suggestions in this respect. But we are right to be sceptical of schemes for elaborate staff work and standing forces. We are still at a stage in international military organization where the first priority must be some agreement on the blueprints or master texts of peace-keeping procedures, these to be moulded to fit the individual circumstances of each operation. Even this measure of agreement has proved to be more difficult to accomplish than we expected ten years ago.

I want to emphasize as well the importance of establishing clearly the terms of reference or mandate of a peace-keeping force or observer mission before it is authorized to begin its work. The degree of clarity of such terms of reference will depend to a large extent upon the degree of political consensus which prevails amongst the parties to the dispute and the other governments concerned. This will usually depend in turn on the nature of the dispute or situation. If the situation involves internal disorder, it will be very difficult



to lay down a clear-cut mandate. There will be other kinds of situation where the degree of consensus existing in the Council is so fragile that nothing can be agreed other than a general instruction to prevent conflict or to supervise a truce.

It may be that it will be clearly preferable for the UN to intervene in these circumstances than for some other organization or government to do so without reference to the UN. We may have to accept that the Force Commander and the Secretary-General will have little guidance. However, we should only come to this conclusion, I believe, after having accepted the risk that inadequate terms of reference might do serious harm to the prestige of the UN and to its future effectiveness. There will be no easy answers. But the Canadian Government will be bound to give more searching examination to requests for assistance if it is not satisfied that the mandate provides sufficient guidance for the conduct of the troops on the ground.

There is a related point. Even if defined satisfactorily at the beginning of an operation, the mandate may be subject to interpretation or gradual erosion. Freedom of movement, for example, is particularly important for the carrying out of any mission which involves observation of frontiers or the supervision of a return to normal conditions. Generally, it will be in the interest of the parties that such movement be as unrestricted as possible. But there will also be occasions when this is not so. It is now an accepted condition of peace keeping that the host government consent to the operations and procedures followed by the UN. Nor in principle must the UN interfere in the internal affairs of the host state. But it must be able to observe, to verify and where necessary to interpose. It will be the more difficult to carry out this task if there is not firm, consistent pressure on the parties to co-operate. Who is to exercise this pressure? It is unfair to expect the Secretary-General to do the job alone. The Security Council must give him the backing he needs. If it cannot do so, then contributors may have no choice but to re-examine their decision to participate in the operation.

A third important conclusion we would draw from our experience is that peace keeping is a beginning, not an end. Perhaps the day will come when the UN is able to provide for forces and to maintain bases around the world on a semi-permanent basis. But that day has not yet arrived. In the meantime, contributions by governments of contingents of their forces for UN peace-keeping purposes will be based on the assumption that the parties to the dispute will get on with the job of settling their differences or re-establishing order. The UN cannot, and must not, be responsible for one party clearly gaining the advantage over the other. As a general rule, peace keeping and mediation should proceed concurrently. The Security Council resolution which authorized the Cyprus Force, for example, also provided for the appointment of a mediator. His report was not acceptable to all the parties to the dispute. But, if the latter do not soon find a solution by their own means, then the process of mediation must begin again.



The financing of peace-keeping operations has been a continuing problem, climaxed by the deadlock which prevented the nineteenth session of the Assembly from functioning normally. We have concluded from that experience that collective responsibility for financing, even on the basis of a special assessment-scale which would take into account the economic capacities of member states and other relevant considerations, is not a principle which, in present circumstances, will be enforced by the Assembly. It is naturally in the interests of the countries which contribute contingents to UN forces that the costs of these contingents should be equitably shared by all, and there is no doubt in our minds that collective assessment based on a special scale is the most equitable method of meeting peace-keeping costs. It is now apparent, however, that such a method of financing will not be enforceable unless the Security Council so decides. What we should hope is that the Council would, in fact, decide on this method in most cases. If no agreement can be reached in the Council on that basis, then the next most satisfactory method of financing, if conditions permit, is for the parties to the dispute to pay the costs. Voluntary contributions may always be solicited as an extra source of funds, where the expenses are heavy and the parties are unable to meet them. But, in that case, the members of the Council, and particularly the permanent members, should be the first, in my view, to contribute their share. The permanent members cannot reasonably claim a preponderant voice in decisions to keep the peace if they will not help finance operations which they have authorized.

The final conclusion I should like to draw from Canadian experience with peace keeping is that there is a very delicate balance between the requirements for efficiency and neutrality. In general, I should say, the more candidates for peace keeping the better, even though this may mean some loss of efficiency. Over 40 UN members have participated in one or more peace-keeping operations. I should hope that this number could be substantially increased. It is disappointing that only a few have informed the UN of the kinds of force or service they might be able to provide if requested to do so. Peace keeping ought not to be the business of any one group or of those who can best contribute the facilities and services required. Only when UN forces represent a wide spectrum of the UN membership can we be hopeful that the necessary political support will be forthcoming. All member states should be equally eligible, with two qualifications: the great powers should not usually be asked to participate nor should states with a direct or particular interest in the dispute or situation. Peace keeping, after all, is not only a method of preventing or stopping conflict; it is an international experiment from which the peace-keepers themselves have much to learn and which could be a forcing-house for international military co-operation with immense long-term benefits for world security.

I have spoken of the past and drawn some conclusions which point to the future. Let me now be more specific about how we might improve the UN's capacity to keep the peace. At the last session of the General Assembly Canada co-sponsored a resolution which called for the adoption of a special scale for the financing of peace-keeping operations involving heavy expenditures, and recommended to the Security Council that it authorize a study of the methods of improving preparations for peace keeping. The resolution also invited member states to communicate information to the UN about their own plans and capabilities.

Canada's financing proposals are modest. We accept the fact that, where expenditures are more than, say, \$10 million a year for any one operation, special arrangements must be made to protect the interests of the developing states. We suggest that their share should be fixed at the level of 5 per cent of the total, which is what they now pay for UNEF. This would mean that most member states would pay only nominal amounts, and then only in cases when the Council recommended this method of financing. Naturally, if they agreed to accept a larger share, we should be delighted, but we think 5 per cent is a not unreasonable figure. The rest would be divided amongst the relatively wealthy states, with the permanent members paying the major part.

Financial problems were the superficial cause for the stalemate in the Assembly's proceedings of two years ago. Less was heard about the operational aspects of peace keeping, which have been equally, if not more, controversial. I said earlier that elaborate planning machinery centred in the Secretariat and early agreement on a UN permanent force seems unlikely to be realized soon. We strongly believe, nevertheless, that important improvements can be made.

Let me give some examples. Co-ordinated planning needs to be done on such questions as standard operating procedures, training, logistics, and communications. Model principles might be drawn up for general application in status-of-forces agreements. The question of comparable standards of pay, leave and welfare for troops from different countries has not been studied. Governments with peace-keeping experience might consider providing staff courses for the training of officers from other interested countries. A standard training manual needs to be produced. We ought to consider whether at least some standardization of equipment would be possible and whether such equipment could be stockpiled for distribution as necessary. Communications equipment, in particular, makes a vital contribution to the success of a peace-keeping operation and standardization both of such equipment and communications procedures would be desirable. Air transport is equally relevant to the success of UN missions. Standby procedures and standardized-load tables would be most useful. Military observers are usually available on fairly short notice from some countries, but, as I have already emphasized, it is always helpful for the Secretary-General to be able to call upon as many governments as possible for assistance. Might it not be desirable, therefore, to outline the duties of a military observer and the kinds of abilities which a United Nations observer ought in theory to have?

Who is to make these studies? Objections are held by some member states to the Secretariat engaging in activities which, it is said, are the responsibility of the Military Staff Committee, that long-neglected but still-functioning body established by Article 47 of the Charter. As long as these objections are pressed, the Secretariat would not seem to be able to do the job properly. What, then, about the Military Staff Committee? Its function, as outlined in the Charter, is to advise and assist the Security Council on all questions relating to the Council's requirements for the maintenance of international peace and security and the employment and command of forces placed at its disposal. It has failed to perform this function because, after the war, the U.S.S.R. was unable or unwilling to reach agreement with the other



permanent members on the numbers and types of United Nations forces. At that time, these forces were to be provided by the permanent members themselves, and it was not surprising, given their very different experiences during the war, that they should find it impossible to agree on the contributions each should make to the United Nations.

The atmosphere of the cold war stifled any further work by the Military Staff Committee, and its functions were afterwards executed by the Secretary-General. Now, however, the theory and practice of UN forces has changed. Their purpose has not been the enforcement of UN decisions against recalcitrant states but the supervision of agreed arrangements. The non-permanent members have become the major troop contributors. A good deal of experience is available for analysis. There may be some basis for believing, therefore, that the Military Staff Committee, enlarged by the addition of several non-permanent members as the U.S.S.R. has proposed, could work out some standard rules and regulations for peace keeping.

Another possible answer to the question I have posed of who is to do the planning is that the governments chiefly concerned should do it themselves, independently of the United Nations. This is a possibility which Canada explored in 1964, when we convened a conference of military experts from 23 governments to consider the technical aspects of United Nations peace keeping. Since that time a somewhat similar conference has been held in Oslo. For our part, we are ready to carry further this process of informal consultation outside the strict framework of the UN whenever circumstances appear to warrant it. We are ready, as well, to produce guide-books and training manuals based on our own experience, and after consultation with other governments concerned, to make them available for the use of the United Nations or of any of its members.

In considering the alternative ways of military planning that I have just described, Canada's principal concern will be the same now as in 1945: if we are to participate in United Nations police actions, then we want to take part as well in the planning and decisions which will lead to those actions. An enlarged Military Staff Committee, on which we would expect to be represented, might be one convenient method of achieving these objectives. In any event, we are prepared to co-operate in whatever arrangements may be made, inside or outside the UN, to improve the UN's capacity to fit its peace-keeping services to the diversity of present world conditions.

I want to take up now the second question I have asked -- how are member states to share the responsibility of peace keeping? This question raises what is, in my view, the central problem of peace keeping -- the procedures of political authorization and control. The primary purpose of the UN is to control conflict -- by consent if possible, by enforcement action if necessary. The use of force or coercion is subject in principle to the agreement of the permanent members of the Council to its use. I say in principle because, while it is clearly the sense of the Charter that coercive action cannot be taken by the UN without unanimous great-power consent, it was also the expectation of the majority of governments at San Francisco that this consent would be forthcoming in cases of acts of aggression or flagrant breaches of the peace. When by 1950 this expectation had proved to be illusory,



the Assembly asserted the right to make recommendations for the maintenance of peace and security, including the right to recommend the use of force to maintain or restore peace if there was a breach of the peace and the Council was prevented from taking appropriate action. Canada was a leading advocate of the Assembly's right to assert this residual power and has continued to be ever since, on the grounds that collective action to stop aggression is the overriding purpose of the organization and must not be frustrated by the abuse of the veto power.

We were confirmed in our opinion by the Assembly's role in the establishment of the United Nations Emergency Force in 1956. It has been argued that the recommendation to establish the Force was ultra vires of the Assembly's authority because it is a military force with potential if not actual coercive functions. Whether or not the functions of the Force are defined as peace-keeping or enforcement action (and we have always thought it to be the former) seems to me, however, to be irrelevant to the point that the Assembly can make recommendations for action in the circumstances I have described and that such recommendations serve to implement the purpose of the UN if they obtain the required two-thirds majority.

The view is sometimes expressed that the expansion of the membership of the General Assembly has created a new situation and that peace-keeping operations might now be authorized which would ignore or defy the interests of important member states or even important groups of members. I think this is unlikely to happen because the Assembly is a political body and in politics it is not customary to take actions which are self-defeating. A veto in the Council is one thing. Opposition to UN action by a number of powerful states is another. I think it very improbable that the Assembly would recommend a peace-keeping operation without making some provision for its financing and without knowing whether sufficient personnel and logistic support would be available.

On the other hand, I also think it might not be a bad idea if we were to take another look at the voting procedures of the Assembly. It is now possible to adopt important recommendations by a substantial majority which are quite unrelated to the facts of power in the world. Such recommendations remain "on the books" but they have little or no effect. This is not a procedure calculated to expand the influence of the Assembly or to enhance the prestige of the organization. The Foreign Minister of Ireland proposed two years ago that the Assembly change its rules of procedure in order to increase the number of affirmative votes required for Assembly recommendations on peace and security questions. I believe this proposal deserves careful study.

Whatever the rights and wrongs of this question, however, the fact remains that the argument reflects a deep split between the permanent members of the Council about how to exercise control over peace keeping, and it has blocked any progress on financing and advance planning. As we all know, such conceptions as aggression or threats to peace have always been extraordinarily difficult to define to everyone's satisfaction. They are doubly so today, the era of such phenomena as wars of liberation, subversion and neo-colonialism.

Everywhere the status quo is under attack, often by violent means. The distinction between the internal and external affairs of states becomes blurred as does the very conception of the legitimacy of authority. The danger of great powers being drawn into local conflicts is increasing. It is understandable that these powers should wish to retain control over UN actions which are bound to affect their interests. It is difficult to agree, however, with the view of the U.S.S.R. that this control, including the detailed supervision of peace-keeping operations, be exercised exclusively by the Security Council and the Military Staff Committee. Even if there was a moratorium on the use of the veto, could we reasonably expect a committee of this membership to run peace-keeping operations without delay, disagreement or deadlock?

I do not think so. I believe the present system whereby the Secretary-General directs peace keeping under the guidance of the Council is more in keeping with today's blend of political and military realities. No doubt this system might be improved. In particular, the Military Staff Committee might be able to do some useful advance planning, including the preparation of a model agreement between the UN and contributing governments. It might possibly perform as well some advisory functions during the actual course of an operation. If this were to be done, its membership would need to include the countries actually doing the peace keeping at any one time. Perhaps a compromise along these lines, coupled with a tacit understanding not to pursue the constitutional argument about the powers of the Assembly, might enable us to get ahead. It is futile, in any event, I believe, to insist on constitutional positions which cannot be implemented in practice unless we are to re-write the Charter. The fact is that interventions by the Assembly in the peace-keeping field have been exceptional. If the permanent members act responsibly, it will not have cause to intervene again.

The aspects of peace keeping I have been discussing relate, by and large, to Canada's view of the world from the gallery of the middle powers. I should be guilty of distortion, however, if I did not remind you that Canada is also a Western country with a point of view which is shaped by its alliance commitments and responsibilities. UN efforts to keep the peace, I have suggested, are and will be successful in so far as they serve the interests of the principal groups of members, and especially the great powers. They must tend, therefore, towards neutrality and passivity. The participants as well as the Secretary-General must hope that the balance of interests which brought about the intervention in the first place will generate the pressures that bring a peaceful political settlement. Canada, of course, will exert what influence it can to obtain such settlements. But, unlike the UN as an organization, we cannot always be impartial towards the issues themselves. We must and do reserve the right to state our views on these issues in the framework of our foreign policy. If, in our judgment, the peace-keeping role in any particular case should not be consistent with our conception of a just or speedy settlement or with our national interests, we should not hesitate to decline or to terminate Canadian participation. If we do participate, it is because, in all the circumstances, we believe it to be the most appropriate and most helpful action for us to take.

We have taken that action each time we have been asked to do so. Our general view has been that the UN is the most suitable international instrument to keep the peace. It may not be the best or most efficient. Regional organizations have a prior claim under the terms of the Charter itself, and the more disputes they can help to settle the less burdened will be the UN's agenda. Other disputes do not appear on the agenda because one or more of the parties are not UN members. The UN, however, is more likely to give a fair hearing to complaints and to provide a more generally acceptable procedure for saving face or gaining time. In Dag Hammarskjold's words: "The greatest need today is to blunt the edges of conflict among the nations, not to sharpen them. If properly used, the United Nations can serve a diplomacy of reconciliation better than other instruments available to the member states." Canadians like to think that they serve themselves when they serve the UN.

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## STATEMENTS AND SPEECHES

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CANADA'S APPROACH TO THE VIETNAM CONFLICT

Lecture by the Honourable Paul Martin, Secretary of State for External Affairs, in the First Series of the Jacob Blaustein Lectures, Columbia University, New York, April 27, 1967.

In my first lecture I dealt with the Canadian approach to peace keeping by the United Nations and with ways in which the many obstacles to an effective exercise of this function might be overcome. For many reasons we believe that the United Nations, despite certain weaknesses, is, in the long run, the most suitable international instrument to keep the peace. For the present, we have to face the fact, however, that in certain situations the United Nations may be powerless to act and that other arrangements may have to be made to provide an international presence in sensitive areas.

The Geneva Conference of 1954, which brought an end to hostilities in Vietnam, Laos and Cambodia, was the classic case of the attempt at peaceful resolution of conflict outside the United Nations context. The conference on Indochina, which grew out of the Berlin conference of the Big Four in January 1954, and which was linked with the Korean conference which preceded it, was limited in membership to the five great powers - the United States, the Soviet Union, Communist China, Britain and France - and the four Indochina governments - Laos, Cambodia, the State of Vietnam and the Democratic Republic of Vietnam. Five of the nine participants were not at that time members of the United Nations, and the four permanent members of the Security Council who were involved in the Geneva Conference were as deeply divided on the issues of Korea and Indochina as they were on the issues of Europe; it is not surprising, therefore, that negotiations did not take place under UN auspices.

The Geneva Conference achieved a cease-fire and made an attempt at providing a basis for a long-term political settlement in the area. It created, in the International Commissions for Supervision and Control, a supervisory mechanism which to a large extent ensured the short-term viability of the military cease-fire arrangements. However, by not taking full account of the deep-rooted political and ideological divisions which were never far beneath the surface, the conference left unresolved certain issues which were fundamental to Indochina. As these issues emerged in new forms in the years following 1954, it became clear that, as in the United Nations, the absence of agreement among the big powers on long-term objectives, and irreconcilable contradictions among the countries directly involved, can undermine the effectiveness of any international peace-keeping operation.

I should like to examine the special case of Vietnam in some detail, not only because of the broad international implications of the war in Vietnam but also because Vietnam in many ways represents the severest test to which international peace keeping has been put. There are many strands woven into the complex fabric of the Vietnam tragedy. As the Minister responsible for Canadian foreign policy, I shall examine the problem of Vietnam and peace keeping from the point of view of Canada as a member of the International Supervisory Commissions. The Canadian decision to accept the invitation to participate in the International Commissions in Vietnam, Laos and Cambodia represented the beginnings of a major Canadian involvement in Asia. Furthermore, nearly 13 years of participation in international supervision in the area has inevitably led the Canadian Government to concentrate today on ways of achieving not only a peaceful settlement of the war but also a settlement which may be more permanent than the one which was attempted in 1954. Our experience has, of course, conditioned our point of view; on the other hand, this should not be interpreted as indicating any insensitivity to other viewpoints, and particularly to the wide range of considerations affecting the policy of the United States in the area.

During the postwar era, Canada has played many roles in the world. It has been a loyal member of NATO throughout the many crises which have been faced in Europe; it was a member of the United Nations forces in the Korean war; it has been a participant in nearly every peace-keeping operation undertaken by the United Nations. In a sense, our role in Vietnam has been the most frustrating and disillusioning. Like many other countries, we have sensed a tragic inevitability in the developments leading up to the present war; as a member of the International Commission, with a direct responsibility for assisting in the maintenance of the peace in Vietnam, we have been particularly sensitive to the apparent inability of the countries involved in the area to deflect developments. As a result, we examine our own experience in an attempt to determine why the 1954 settlement went wrong and how, when a new settlement is achieved, the same mistakes can be avoided.

The Vietnam crisis cannot, of course, be explained or understood solely in terms of the events of the past decade or two. As with so many of the states of the world which are struggling to modernize their political and economic structures, the problems of Vietnam are the problems of history, of political traditions, and of centuries of rivalry and war. The present division of Vietnam is not a new situation; the fact that a wall separated two warring dynasties in the seventeenth and eighteenth centuries is not irrelevant to any analysis of today's problems. The isolation of the villages of South Vietnam from central authority is not a modern phenomenon but simply a continuation of a problem which even the most illustrious and powerful emperors of Vietnam were seldom able to resolve. The economic impoverishment of the area is acute when compared to the rising expectations of the modern age, but nevertheless is simply a continuation of an economic condition which has prevailed for hundreds of years. The effect on Vietnam's neighbours of the present political and military hostilities is little different from the clash of empires and the reactions to the steady territorial expansion of the Vietnamese people since the Middle Ages. Nevertheless, although it is necessary to recognize the continuity of these problems, the world of the mid-twentieth century is no longer prepared to accept their inevitability. The



world community, in the nuclear age, is becoming increasingly conscious of the need to create an international order in which necessary political and social changes can be accomplished by peaceful means, and disputes between nations and peoples can be settled without violence. The resources of the developed world are being used more and more to break the chains binding the peoples of Asia to the poverty and violence of the centuries. The war in Vietnam presents a serious obstacle to these massive efforts and, if the historical roots of discontent and insecurity in Southeast Asia are to be effectively removed, a way must be found not only to bring that war to an end but also to provide a basis for a more viable settlement than the one projected by the Geneva Conference in 1954 turned out to be.

When the Geneva powers met in 1954, the war in Vietnam had been in progress for eight years and had spilled over into Laos and Cambodia. It was not, as is sometimes stated, a war between France on the one side and all Vietnamese nationalists, led by the Communists, on the other. In the beginning, France certainly played the role of a colonialist power attempting to maintain some kind of presence in the states of Indochina, and the Communist-led Vietminh were strongly motivated by nationalist feelings. Before long, however, subtle changes occurred. Nationalist non-Communist elements within the Vietminh were gradually denuded of power and influence or completely eliminated. The French at the same time found themselves allied with many Vietnamese who were just as determined as the Vietminh to achieve an independent Vietnam, but who were prepared to pursue their objective by political, rather than military, means and who were at least as opposed to Communist control as to French colonialism. As the war progressed, the differences between Vietnamese became more pronounced and there emerged, as there had before so often in Vietnamese history, two Vietnamese communities struggling for the right and the power to govern all of Vietnam.

When the élites reflecting these two communities went to Geneva in 1954, "North Vietnam" and "South Vietnam" did not exist. There were only two governments - one Communist and one non-Communist, both claiming sovereignty over the whole of Vietnam and over all Vietnamese. The Democratic Republic of Vietnam, recognized by all the countries of the Communist bloc, and the State of Vietnam, recognized by more than 30 other countries, both attended the Geneva Conference as sovereign states and as full participants in the deliberations of the conference, and the armed forces of both governments were intermingled in combat from the Chinese border in the north to the Camau Peninsula in the south. The State of Vietnam had, however, delegated command over its armed forces to the high command of the French Union Forces, which had the primary responsibility for the conduct of the war, and it was perhaps only natural, therefore, that the burden of negotiations on the Franco-Vietnamese side should have been borne by France, especially in a conference dominated by the big powers. A sharp divergence of policy developed, however, between France, which intended to withdraw from Indochina, and the State of Vietnam, which intended to exercise its right to govern Vietnam. The State of Vietnam, from the beginning of the conference, had opposed the partitioning of the country and had pressed for United Nations supervision until peace and order could be restored, at which time free nation-wide elections could be held under UN supervision. On the other hand,



in the atmosphere of urgency which surrounded the conference, it was perhaps inevitable that the effective decisions concerning cease-fire arrangements should be negotiated by those in effective control of the armed forces engaged in the war, and that the position of the State of Vietnam concerning partition should have received so little attention during the efforts being made to separate and regroup the forces of both sides as quickly and as expeditiously as possible.

If this had been restricted to the cease-fire agreement which was ultimately signed by representatives of the French Union Forces and the Communist "People's Army of Vietnam", the implications probably would not have been serious. Arrangements, however, were also considered for the final political settlement, which envisaged general elections being held within two years to bring about the unification of Vietnam, even though no agreements were signed to this effect, and although the State of Vietnam explicitly dissociated itself from the projected arrangements.

With the wisdom of hindsight, we can see how the dragon's teeth were sown. But in July 1954 there was a general sigh of relief throughout the world. The war in Indochina, with all its attendant risks, was over. Attention turned to the immediate tasks of the cease-fire agreements and to the arrangements for carrying them out. It was apparent that in the tense international atmosphere of the time, and in the wake of a bitter war, the peace-keeping role of the International Commissions would be vital.

Canada, although it had been represented at the Korean Conference, had not played any direct part in the negotiations on Indochina. The Government was aware that the composition of the International Supervisory Commissions had been one of the important points of disagreement between the Communist and Western delegations, but it had no reason to anticipate the invitation which was extended to India, Poland and Canada after the cease-fire agreements had been negotiated and signed. Acceptance of the invitation was not an easy decision. Canada was geographically remote from Indochina and had no traditional interests in the area. The settlement had been reached outside the United Nations and that organization would not be involved in the supervisory function. Canada had not had a voice in creating the terms of reference under which it was now being asked to operate. Finally, we were very aware of the deep cross-currents surrounding the Geneva Conference and recognized that the International Commissions themselves might be caught in the middle of any breakdown of the settlement.

Nevertheless, despite our reservations, and despite our recognition of the responsibilities and difficulties which membership in the Commissions would entail, Canada accepted the invitation. Canadian foreign policy was firmly committed to the peaceful resolution of disputes, and it was clear that the effectiveness of the cease-fire reached in Geneva would to some extent depend on the supervisory arrangements. It was true that the United Nations was not involved but at least an international presence had been provided for. It was possible to hope that this presence might place some restraints on the big powers whose interests were so directly engaged in Indochina, and that the Commissions would exert a general stabilizing influence on the region.

It was clear that the Commissions would have only limited powers and resources; on the other hand, they had no responsibility themselves for the execution or enforcement of the agreements. The parties themselves were required to carry out their undertakings and, if violations of the cease-fire agreements occurred and if the recommendations of the Commissions were not implemented, the Commission was expected to report the circumstances to the members of the Geneva Conference. Thus, although in the last analysis the fulfilment of the provisions of the cease-fire agreements in Vietnam, Laos and Cambodia would depend on the co-operation of the parties, the Commissions, by acting as the eyes and ears of the international community, could perform a worthwhile function by providing an element of disinterested deterrence to open violations of the cease-fire.

Canada's decision in 1954 to participate in the Vietnam Commission represented an attempt to contribute to the peace and stability of Southeast Asia. It was clear that, in proposing India, Poland and Canada as members of the Commissions, Communist China had envisaged a troika arrangement in which Poland would represent the interests of one of the parties, Canada would represent the interests of the other, and India, as the major neutral power of the time, would cast the deciding votes. We were aware of the difficulties of the so-called "Neutral Nations Commission" in Korea, in which the requirement for unanimity had hamstrung the Commission. The Indochina Commissions at least provided for majority decisions on a wide range of matters, and for majority and minority reports on the major issues.

Despite the temptation to live up to the conference's expectations, Canada decided from the beginning to avoid the role of rigid advocate for the West and, instead, tried to promote an objective and balanced approach by the Commissions. We were firmly convinced, and remain so to this day, that neither the work of the Indochina Commissions nor the future of international peace keeping would be served if the members of the Commissions gave the impression of being swayed by political bias and of ignoring the terms and intent of the cease-fire agreements in the interests of one side or another. We encountered many difficulties in carrying out this policy, but after 13 years we remain convinced that it was the right one.

Because the 1954 settlement did not produce a lasting peace, it is sometimes argued that the International Commission in Vietnam failed in its role. As I have pointed out, however, the Commission was not envisaged as an enforcement agency. It had not been given the terms of reference, the authority or the resources to impose its will on the parties, and was expected to leave the actual task of keeping the peace to those directly involved, to act in such a way as to encourage observance of the Cease-Fire Agreement, and to keep the members of the 1954 conference informed of results. The deterioration of the situation in Vietnam had complex origins, and although the weaknesses of the supervisory process no doubt contributed to the eventual breakdown, there were other important factors arising out of the nature of the 1954 settlement itself, the policies and objectives of the two Vietnams, and the atmosphere created by the policies of the major world powers.



Let us first of all look at the 1954 settlement. I have already mentioned how the anxiety of most of the major powers to achieve a cease-fire led to a situation in which little weight was given to the clearly stated position of the State of Vietnam. The conference, by ignoring the position of the government which claimed to speak for the non-Communist community of Vietnamese, and by projecting nation-wide free elections in 1956, had set forth an objective which was certain to pose problems --- unless of course the State of Vietnam collapsed in the interim. The political objectives of the governments representing the two communities of Vietnam were in direct conflict, and this became more and more evident in the months following July 1954. Furthermore, the Government of the State of Vietnam, instead of collapsing, as many observers of the time expected it to do, consolidated its position and, by so doing, achieved the ability to resist in practice the political settlement which it had opposed throughout the Geneva Conference.

The political environment in Vietnam, therefore, was inherently unstable. The mandate of the International Commission, however, related not to the political settlement but to the supervision of the Cease-Fire Agreement. The history of the Commission's work in this field is fairly clearly set out in the various reports it submitted to the Co-Chairmen of the Geneva Conference between 1954 and 1965. In summary, I think it is fair to say that the Commission was reasonably successful in its task of supervising and facilitating the disengagement of forces, and their regroupment in the two zones of Vietnam. Both the French high command and the People's Army of Vietnam had an interest in implementing the cease-fire provisions, and as a result the Commission was able to act effectively and constructively during the early stages. On the other hand, when the interests of the two sides diverged, and when the Commission tried to supervise effectively aspects of the Cease-Fire Agreement which one side or the other felt interfered with its national objectives, the International Commission found its supervision interfered with, evaded or thwarted. The agreement, for example, provided that in both zones the democratic freedoms of the population were to be guaranteed and that no reprisals were to be taken against persons for their activities during the hostilities. North Vietnam submitted innumerable complaints to the Commission alleging reprisals against persons in South Vietnam who were "former resistance workers". The South Vietnamese Government complained that North Vietnam was carrying out subversive activities in the South, and that the Commission would not be permitted to investigate allegations of reprisals until it took some action against North Vietnam for the alleged subversion. In neither North nor South Vietnam was the Commission ever able to ensure that "democratic freedoms" were extended to the populations. Similarly, despite the build-up of the North Vietnamese army in the period immediately following the cease-fire, the Commission was never able to detect the entry of a single piece of military equipment into the country. Violations of the Cease-Fire Agreement occurred in both North and South Vietnam and, although the Commission could from time to time report to the members of the Geneva Conference on at least some of these violations, there was no way in which pressure could be effectively brought to bear on the governments concerned to force them to remedy the situation. Indeed, because the Commission was dependent on services and facilities extended to it by the governments concerned, it was severely handicapped even in its attempts to investigate possible violations.



I have already referred to the troika structure of the Commission, which was designed to reflect what were assumed to be the three main blocs - Communist, Western and "neutralist". Our experience since 1954 has not led us to believe that this type of control mechanism is well suited to international peace keeping. If the assumption is made that two of the three members of the troika will automatically assume the role of advocate for their respective "sides", it is obvious that an intolerable burden will be placed on the third member, which is cast in the role of an arbiter. In effect, that third member is expected to assume the full responsibility for every decision which is taken by the peace-keeping agency and to accept, as a result, the foreign-policy implications of such decisions as they apply to the arbiter itself. In a situation such as exists in Vietnam, where, as I have said, Canada has consistently attempted to act objectively and to support findings against either side if they are substantiated by impartial investigation, the burden on the third country is reduced to some extent, but not, unfortunately, to the point where it can act without any reference at all to the implications of its own national position. We have encountered difficulties in our position too. I think it is generally assumed that Canada was named to the International Commission to represent Western interests. If this were understood and accepted by all parties, it would be possible, in theory at least, to act accordingly. Indeed, it would simplify the task. On the other hand, given Canada's role as a major participant in UN peace-keeping operations, it is impossible for us, in a situation such as Vietnam, to play the role of a special pleader for any one party without cutting across our broader goal of strengthening the United Nations as an impartial and objective agency for the settlement of international disputes.

I have touched on the contribution to the failure in Vietnam which was made by the 1954 settlement itself and by the weaknesses of the supervisory agency. There were in addition, however, broader international factors which contributed to the deterioration of the situation. In 1954 the cold war between Communism and the West still existed in Europe and, only one year after the cease-fire had been achieved in the bitter Korean war, an atmosphere of hostility permeated Asia. In this environment it was probably inevitable that in Vietnam -- as in Germany, China and Korea -- the two communities should become the protégés of the major powers representing the ideological, political and military division of the world at that time. The conflicting objectives of the two Vietnamese communities thus became the objectives of the Soviet Union and China on the one hand and of the United States and other Western and Asian countries on the other. The line at the 17th Parallel, which had created North and South Vietnam in 1954, had not been envisaged as a permanent frontier, any more than had the lines between the two Berlins, the two Germanys, or the two Koreas. Nevertheless, the commitment of the prestige of the major powers to the protection of the two Vietnamese states made unification of the country impossible, and made the 17th Parallel as sensitive a dividing-line as the others.

The story of the succeeding years was best summed up by a majority report of the International Commission issued in mid-1962. The Commission, following examination and investigation of South Vietnamese complaints going back to 1955, informed the foreign ministers of Britain and the Soviet Union, acting as Co-Chairmen of the Geneva Conference of 1954, that "armed and unarmed

personnel, arms, munitions and other supplies" had been sent from North Vietnam into South Vietnam "with the object of supporting, organizing and carrying out hostile activities, including armed attacks directed against the armed forces and administration" of South Vietnam, and that the North Vietnamese authorities had allowed North Vietnamese territory to be used "for inciting, encouraging and supporting hostile activities in the zone in the South aimed at the overthrow of the administration" in South Vietnam. The Commission also reported that South Vietnam had received military aid from the United States in quantities in excess of those permitted by the Geneva Agreement of 1954 and had made military arrangements with the United States which amounted to a factual military alliance. The Commission recommended that all violations of the Cease-Fire Agreement should cease in order to avert the threat of the resumption of open hostilities. The recommendations of the Commission were not heeded. North Vietnam's campaign of infiltration and subversion increased, as did the entry of United States military personnel and equipment; and by the beginning of 1965, with the commitment of United States combat troops to the support of South Vietnam, the war had passed into a form not very different from that preceding the cease-fire in 1954. It continues to intensify.

With its special message of 1962, to which I have just referred, the International Commission passed into a new stage of its existence. We had to face the fact that the 1954 settlement had broken down completely and that a new war in Vietnam was confronting the international community. North Vietnam, which had signed the Cease-Fire Agreement, had, according to the evidence of the International Commission, violated the cease-fire in an attempt to establish the control over all of Vietnam which it had expected to achieve through the elections envisaged in the Final Declaration. South Vietnam, which did not consider itself bound by an agreement that it had not signed (but which had undertaken not to use force to resist the implementation of the cease-fire clauses), had also violated the cease-fire provisions. Progressively, the Cease-Fire Agreement had been eroded to a point where the International Commission remained its only functioning component.

The Canadian Government, although it recognized the futility of supervising a Cease-Fire Agreement which was being breached by both Vietnamese governments, considered that every effort had to be made to bring about an end of the war. We saw in the International Commission a symbol of the 1954 settlement, a possible channel for negotiations between the opposing forces in Vietnam, and the possible nucleus of some future settlement. Questions are sometimes raised in Canada about the desirability of continuing Canadian participation in the Commission. We have weighed the various aspects of the problem very carefully and we continue to believe that we should maintain our participation.

None of the interested parties have suggested that the International Commission should be withdrawn or that its mandate be cancelled. Furthermore, the Commission stands as a symbol of the 1954 Cease-Fire Agreement and can be considered as an indication of the continuing interest of the Geneva powers in the situation. Most important of all, however, is our belief that, in the right circumstances, the Commission might be able to make a positive contribution to a peaceful settlement of the Vietnam issue.



The Canadian Government has attempted on a number of occasions to explore, with its Commission colleagues India and Poland, the possibility that the Commission might play a useful role in bringing the opposing parties closer together. So far it has not been possible to achieve this objective. Nevertheless, we recognize that Canadian participation in the Commission provides us with a special opportunity to maintain a dialogue with the parties most directly involved in the war. Mr. Chester Ronning, the former Canadian High Commissioner to India, has made two visits to Hanoi as a special representative of the Canadian Government, and his visits were of great assistance in interpreting and clarifying the position of the North Vietnamese Government. The Canadian Commissioner to the Vietnam Commission visits Hanoi frequently, and is able to have full and frank exchanges with the authorities there. During my visit to Europe last autumn, I explored the problem in depth with the Governments of Poland and the Soviet Union. I have maintained continuing consultation with all parties and personalities who are in a position to bring their influence to bear on behalf of peace in Vietnam. Canada has, of course, fully supported the constructive initiatives which have been taken by other nations of the world.

The fact that our efforts to contribute to the search for a peaceful settlement in Vietnam have not borne fruit is not, in my opinion, a reason for abandoning them. The present conflict must be brought to an end; a key must be found to open the door to an honourable negotiated settlement. We shall continue in our efforts to find that key.

Many attempts have been made to create circumstances in which talks or negotiations leading to a cease-fire, and opening the way to a lasting settlement, might begin. None of these attempts have succeeded, but they have made it possible to assess in some detail the positions of the two sides and to delineate fairly precisely the action required to roll back the level of hostilities to a point where discussion becomes possible. I recently suggested that the 1954 Cease-Fire Agreement, which concentrated on arrangements for a cease-fire and a disengagement of forces, contained the objectives which we are seeking today. It seems clear that, in existing circumstances, an overnight cease-fire cannot be expected. On the other hand, a progressive reapplication of the 1954 cease-fire terms would not only help to create a favourable climate for discussions between the two sides but, by enabling the two sides to engage in a step-by-step de-escalation, would itself create a certain momentum in the movement towards negotiations.

I should envisage the process being carried out in four stages. The first step would involve restoring the demilitarized character of the zone on either side of the 17th Parallel and a reactivation of those provisions of the Cease-Fire Agreement which prohibit the use of either North or South Vietnam for the carrying out of hostile acts against the other. In my view, this step would have to include the bombing and any other military action against North Vietnam. The second stage would involve freezing the course of military events in Vietnam at its existing level. Both sides would undertake not to engage in any military activities which differed in either scale or pattern from existing activities; it might also involve a prohibition on the reinforcement of military personnel and equipment into North or South Vietnam from any source. The third stage would involve the cessation of all active



hostilities between the parties. The fourth and final stage, which would complete the process of return to the cease-fire provisions of the 1954 settlement, would provide for the exchange of prisoners, the withdrawal of outside forces and the disposal of military bases.

I recognize, of course, that proposals such as this cannot contribute much to the situation until both sides are prepared to accept them. I remain convinced, however, that some process such as the one I have outlined must ultimately be accepted if we are to emerge from the Vietnam impasse.

It would be a mistake, however, to think that the commencement of talks and the opening of negotiations would automatically solve the problem of Vietnam. We have to bear in mind the lessons of the 1954 Conference and avoid any tendency to ignore the harsh political realities of the situation. We know now that these realities inevitably surface in a more virulent form unless appropriate arrangements are made to take them into account.

At this stage, it is, of course, impossible to set out a detailed formula for a lasting settlement in Vietnam and the neighbouring area. Nevertheless, we think it is possible, on the basis of past experience and present facts, to set out certain broad considerations which will have to be taken into account if any settlement is to be more than simply a pause in a steadily deteriorating situation.

First, the fact that a military solution alone is neither practicable nor desirable has become almost a truism. It is becoming clear that, in existing circumstances, North Vietnam will not be able to impose its control over South Vietnam by military means or, more accurately, by the politico-military means which are the hallmark of wars of national liberation. Given a stabilization of the military balance, the two regimes and the two communities in Vietnam will have to find ways of accommodating their respective interests and avoiding recourse to the violent methods which have led to the present war.

Second, some way will have to be found to return to the basic provisions of the Geneva Cease-Fire Agreement of 1954. In practice, this will, of course, involve a continuation of the de facto division of Vietnam - a situation which neither North nor South will view with equanimity. Nevertheless, it seems evident that, until ways can be found to blur and ultimately eliminate the dividing-line by peaceful means, and by mutual consent, the alternative is a continuation of the present dangerous situation.

Third, we must recognize that, although a return to the 1954 cease-fire arrangements holds out the best hope for a beginning of a lasting settlement, the people of Vietnam are one people and must ultimately join together in one country. For the time being, however, the participants in a future conference must face up to the fact that there are two distinct communities in Korea and in Germany, and that these two communities must both agree when and how arrangements should be made for reunification. Most of the big powers at the 1954 Geneva Conference paid lip-service to the cause of reunification but, in the circumstances of the time, were led to ignore the existence of the two communities; we have seen the tragic results of this mistake. We see no reason,

however, why the realities of the situation should lie too heavily on the individuals affected, and we should hope some arrangement could be worked out whereby reasonably free movement between the two zones could be permitted, to allow at least the reunification of families.

Fourth, we think it inevitable that any settlement in Vietnam will have to be effectively supervised by an international presence. We should expect all outside forces to withdraw from both parts of Vietnam as soon as conditions permitted, and we should hope that both Vietnams would undertake to avoid inflammatory propaganda attacks on each other in the interests of contributing to the development of the kind of atmosphere that would make possible meaningful contacts between them. Whatever the terms of a settlement, however, both Vietnams and the other countries directly involved will want assurances that the terms of the settlement are being carried out. I should expect that international supervision, to be successful, would have to be backed up by firm understandings between the major powers involved in the settlement and by some form of guarantees by these same powers.

Fifth, although we have no firm views as to what form international supervision might take, we think it will be generally accepted that the international agency involved should be so constituted as to have the confidence of all parties to the settlement. As I have mentioned, the present Commission has a number of weaknesses, and it may be necessary to give a new agency a different composition, more clearly defined and more effective powers, and greater resources; otherwise, there will always be the risk that the parties directly concerned with the problem will consider it necessary to resort to unilateral action to rectify breaches of agreements. This, as we know, could mean the complete breakdown of the settlement. As far as Canada is concerned, I should be prepared to recommend that we co-operate, within the limits of our available resources, in the constitution of a new supervisory force. We should also expect to contribute, on the basis of our long experience in the area, our judgment and our advice on the nature of the supervisory agency.

Sixth, we believe that the Vietnamese people, like all peoples of the world, should be able to determine their own political future and create their own institutions. We have welcomed the progress which has been made in South Vietnam to bring about the conditions in which a constitutional government, responsive to the wishes of the people, can be elected. We should anticipate that, with the creation of a peaceful environment, ways could be found to provide an opportunity for all segments of the South Vietnamese population - including adherents of the Viet Cong - to participate in the political life of South Vietnam on the same basis as other groups. I should like to hope that the same opportunities could be extended to the population of North Vietnam. The creation of constitutional and responsive governments in both parts of Vietnam would, I am convinced, contribute much to a peaceful resolution of differences. There is no doubt in my mind that the populations of both Vietnams are anxious to find peaceful ways of coming together and to avoid a recurrence of the present situation.

There are, of course, other issues lying beyond Vietnam which must be resolved if peace is to be achieved and maintained in that country. Laos and Cambodia, which both aspire to a neutral status which would protect them against outside interference, must be given an opportunity to pursue their own destinies. In 1962 an agreement guaranteeing the neutrality of Laos was negotiated and signed by 14 countries. Despite this, the International Commission has reported major violations of the settlement by North Vietnam and is awaiting permission to enter Communist-held areas in order to investigate charges of United States violations. I think there is much merit in proposals which have been made for the neutralization of Vietnam and much of the rest of Southeast Asia, and I should think most of the countries of the region would wish to acquire neutral status if this could be effectively guaranteed and if it would prevent the constant interference in their internal affairs which is so prevalent today.

In the background, of course, is the great question of Communist China, without whose co-operation no lasting stability can be achieved in Vietnam or any other part of Southeast Asia. To some extent, the policies of China can be interpreted as the result of fear, insecurity and wounded pride. It is difficult, I know, to find a prescription which will eliminate these deeply-rooted elements of Chinese policy; on the other hand, I am convinced that it is in all our interests to continue our attempts to penetrate the wall of suspicion and hostility which surrounds the leaders in Peking.

Finally, we recognize the close links which exist between the requirements of stability in Southeast Asia and the requirements of economic development. The United States has already made an immense contribution to these requirements and has promised even greater commitments once peace is established. Canada, through the Colombo Plan, its participation in the Mekong Basin project and, through its commitments to the Asian Development Bank, is also playing its role in this area and we shall continue to do so.

The task of bringing permanent peace and stability to Vietnam and Southeast Asia is an immense one, which I am sure will occupy not only the countries of that region but the whole world community for many years to come. Any formula for peace will inevitably be as complex as the factors involved in the present situation, and the path to a right formula will be strewn with obstacles and disappointments. Nevertheless, the war in Vietnam must be brought to an end and the peaceful future not only of Vietnam but all of Southeast Asia must be assured. Since 1954 Canada has done its best to prevent a war in Vietnam. It is now doing its utmost to help to bring the war to an end. When a settlement is achieved, we shall do our best to ensure that it is a permanent one.





# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/13 CANADA'S APPROACH TO THE VIETNAM CONFLICT

Corrigendum: The second sentence of the final paragraph on Page 10 should read as follows:

For the time being, however, the participants in a future conference must face up to the fact that there are two distinct communities in Vietnam, just as there are two communities in Korea and in Germany, and that these two communities must both agree when and how arrangements should be made for reunification.







# STATEMENTS AND SPEECHES

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No. 67/14

## CANADA'S CONTRIBUTION TO ECONOMIC DEVELOPMENT IN THE LESS-DEVELOPED COUNTRIES

Lecture by the Hon. Paul Martin, Secretary  
of State for External Affairs, in the First  
Series of the Jacob Blaustein Lectures,  
Columbia University, New York, April 28, 1967.

In my first lecture in this series, I attempted to show how Canada's policies in support of United Nations peace-keeping activities reflected the Canadian outlook on the world. In my second lecture, I discussed in some detail the position which Canada had adopted towards the most potentially dangerous, violent conflict in the world today, the war in Vietnam. For this third and last lecture, I am turning to a different aspect of the search for world peace -- namely, the task of international development, and Canada's distinctive contribution to it.

It is certainly an over-simplification to see in international development a means of eliminating all threats to peace. The principal antagonists in the two great wars of this century were and are among the most economically-advanced countries of the world; this provides convincing and tragic proof that the hunger for power cannot be satisfied by material well-being alone. But in this latter half of the twentieth century, it has become increasingly clear that a world community which is half rich and half poor cannot be stable or peaceful. His Holiness Pope Paul VI expressed this fact in a profound yet simple way when he said that "development is the new name for peace".

With the benefit of historical perspective, we can see that the origins of the present disparity in wealth among the world's peoples lie in the pattern of European economic and colonial expansion which took place in the eighteenth and nineteenth centuries. It was in Europe that the technological innovations which provided the key to our present-day economic prosperity in the Western world were first developed and applied. The resulting trade patterns, related as they were to the building of world-wide European empires, left the world with a set of economic relations manifestly unsuited to the aspirations and needs of a world which has come to recognize the dignity and right to equal opportunity of all peoples.

Canada, like the United States, is itself a product of European colonial expansion. As a country of European settlement, however, our



peoples brought with them the skills and aptitudes, and the psychological make-up, which enabled them to share from an early stage the rapid technological and economic development which had begun in Europe. But the effort to build a new nation in North America has also, I think, given us some insight into the problems facing those nations in other parts of the world which have recently attained independence, and have simultaneously embarked with determination on the path of economic and technological development.

In earlier days, the needs of other countries for outside assistance in achieving economic development would have gone largely unnoticed and unheeded. Indeed, it is only in relatively recent times that the conception of collective, governmental action to provide basic social services and stimulate economic development within our own borders has been recognized. From an historical point of view, we may regard the Second World War as the turning-point, which led to the realization, still unfortunately not fully accepted in all quarters, that responsibility for human welfare cannot be limited by political boundaries. During the war, thousands of Canadians fought and died not only for the freedom of their own country but also for the freedom of our allies and for the beliefs which we shared with them. It was only natural that the sense of common purpose which characterized our war effort should be expressed anew in the task of reconstruction, an essentially economic task which required the contribution of material resources from the countries which had suffered least to those which had suffered most.

Amidst the revolutionary changes which took place in the world in the years following 1945, it was borne home to us that the countries which had been devastated by war were not the only ones where people were suffering from poverty and deprivation. First the great nations of Asia, proud heirs to ancient civilizations, and then the peoples of Africa raised their voices, demanding the same freedom and independence that the victorious allies had fought for in the Second World War. Initially, this great revolutionary movement was expressed in essentially political terms, but it soon became clear that the quest for political independence was only the first stage in a much more basic search for a better and more fully satisfying life.

In 1950, Canada met with Britain, Australia, New Zealand, India, Pakistan and Ceylon to discuss ways of meeting the political, economic and social problems that faced the newly independent Commonwealth countries of South and Southeast Asia. The result was the Colombo Plan, originally conceived as a Commonwealth response to what was regarded as a Commonwealth responsibility. To Canadians, the "new" Commonwealth which emerged in the years following the war was a source of some pride, for it was Canada which had originally pioneered the pattern of national independence within the Commonwealth. Canada was anxious to do what it could to make this "new" Commonwealth, embracing non-European as well as European peoples, a viable conception, and accordingly undertook to assist in the joint development effort which was so clearly needed. It is from that time that we can trace the growth of Canada's programme of aid to the developing countries.

For the eight years following its inception, the Colombo Plan was Canada's only bilateral aid programme, and to it the Canadian Parliament appropriated annually the sum of \$25 million. Despite the addition of other areas of the world to the Canadian assistance effort, the Colombo Plan region continues to receive the bulk of Canadian aid funds. Between 1950 and March of this year, bilateral assistance provided to the area totalled \$800 million, of which an overwhelming proportion went to India and Pakistan. In this respect, Canadian allocations followed proportionately similar lines to those of the United States, Britain and West Germany. I am frequently asked by Canadians why such a large proportion of our funds are allocated to the Indian subcontinent. It is important to remember, when making comparisons of this nature, that India and Pakistan contain more people than the continents of Africa and Latin America put together. In the last 15 years, aid to India from all sources and of all types has amounted to little more than \$20 a person, but this low per capita figure nevertheless represents the staggering aggregate investment of \$9 billion.

The character of our aid to India and Pakistan has been one of heavy emphasis on power infrastructure projects, which often benefit agriculture as well, plus an increasing amount of grant aid food. Our food aid programme to India alone in 1966 was \$75 million in grants, a contribution which moved us ahead of the United States as a supplier on a comparative basis either of population or gross national product. The needs of India continue to be immense, and sometimes, when we look at the gloomy picture drawn by statistics of increasing population and food supplies diminished by drought, we may be tempted to despair. We should not forget, however, that India has put together in the last 15 years the important beginnings of a modern industrial structure, and has an expanded force of trained and educated manpower. Together with its potentially rich resources of land and water, India has a far better base for economic progress than existed 15 years ago. Much the same can be said with respect to Pakistan.

I want to deal at a later stage with our multilateral relations, but no discussion of Colombo Plan aid would be complete without a reference to the confidence we have in the future of the Asian Development Bank, at the inauguration of which, last year, Canada pledged an initial capital contribution of \$25 million. From its resources, we hope, will come great undertakings similar in scope and imagination to the Mekong development project (sponsored by the Economic Commission for Asia and the Far East), which serves Thailand, Laos, Cambodia and Vietnam, and which awaits only the resolution of the area's political differences to take a great step forward.

In 1958, Canada decided to broaden the scope of its contribution to international development by undertaking a new programme of assistance for the islands of the British West Indies. Canadians had long felt a special sense of attachment to the West Indies, based among other things on the traditional trade in salt fish from the Maritime Provinces for West Indian sugar and rum. The establishment in the West Indies of a federation embracing the various islands, and the prospect of this federation becoming a second independent Commonwealth nation in the Western Hemisphere, gave added impetus to Canadian interest in the region. Initially, Canada's

economic assistance was concentrated on the provision of infrastructure which would make the federation more viable, and took the form, among other things, of two cargo-passenger vessels for inter-island service.

The collapse of the West Indies Federation in 1962 ended, at least for the moment, the dream of a single united Commonwealth nation in the Caribbean, but it did not end Canadian interest in assisting the various West Indian territories in overcoming the problems of development which confront them. Indeed, with the attainment of independence by Jamaica and Trinidad and Tobago, and later by Guyana and Barbados, Canadian interest in strengthening and giving new meaning to its special relation with the area has intensified. This was the background for the important conference held in Ottawa in July 1966 and attended by the Prime Minister and chief ministers of all the Commonwealth Caribbean countries, at which various avenues of collaboration in achieving development were explored. At that conference, Canada made it clear that the Commonwealth Caribbean would be considered an area of concentration in the Canadian aid programme. Even before the conference, the Commonwealth Caribbean was receiving more assistance from Canada, on a per capita basis, than any other part of the world.

Africa, a continent with which Canada had only the most tenuous relations in pre-war years, was the third area to come within the ambit of our aid programme. You will recall the great upsurge of independence which characterized the African scene in the years following 1957. Many of the newly-independent states had been British dependencies, and became members of the Commonwealth; others were formerly colonies of France and Belgium, and became heirs to the French language and culture. Thus it is in Africa that expression can be given in our aid programmes to Canada's own dual heritage.

Canadian assistance to Africa began in 1960, with an allocation for the Commonwealth African countries. In 1961 this was followed by the inauguration of a programme for the "Francophone" countries. Throughout Africa the most immediate need was for educational and technical assistance, and it was in these fields that we originally concentrated most of our attention. Recently, however, increasing emphasis has been placed on the need for capital projects, particularly for pre-investment and feasibility surveys, to enable the countries of Africa to make better use of their rich natural resources. From modest beginnings, our programmes for both Commonwealth and Francophone Africa have grown rapidly, as we have gained a greater understanding of Africa's needs and how they can be effectively met.

We were heavily involved in Asia, had undertaken a significant programme in the Commonwealth Caribbean, and faced a growing need in Africa, but could we afford to ignore the circumstances of Latin America? This was a difficult question. On the one hand, there was no doubt at all in our minds that the requirements of Latin America deserved the attention of the industrialized world. We had extensive diplomatic and commercial ties, and the sympathy that must come from our common membership in the American family. On the other hand, we lacked facility in



the two major languages of the region, and we ran the risk of spreading our programme too thinly among the developing areas of the world. The decision, taken in 1964, was to allocate \$10 million from our newly-created development loan fund to Latin America for projects which would be submitted for our approval through the Inter-American Development Bank. The fund has grown by annual instalments and, by the end of this year, we shall have made loans for several major development projects in a number of Central and South American countries.

In addition to our programme of bilateral assistance, Canada has participated actively from the beginning in the great international institutions that have grown up around the United Nations, drawing their strength from its universal approach. In 1966, Canada ranked fourth among the contributors to the United Nations Development Programme and the International Development Association, third in contributions to the United Nations Relief and Works Agency, and second in contributions to the World Food Programme.

Above all, we value the association we have established with the World Bank, which has become the repository of so much invaluable information and knowledge about the science of development assistance. The Bank, and its offspring, the International Development Association, are playing a major role in international development. As a member of the World Bank consortia for India, Pakistan, and the Indus Basin Development Fund, and of the consultative groups for Colombia, Malaysia, Nigeria, Thailand and Tunisia, we are convinced of the merit of this orderly approach to a nation's development requirements, and we look for the formation of more of these groups. We have been favourably impressed by the reports drawn up by the Bank, by the International Monetary Fund, and by the promise of more detailed planning conveyed by the terms of reference of the United Nations Development Programme, all of which help us to determine the most effective ways of allocating funds under our bilateral programmes.

Like other countries which have undertaken programmes of development assistance, Canada has found the Development Assistance Committee of the Organization for Economic Co-operation and Development particularly useful as a means of co-ordinating our common effort. The Development Assistance Committee was created in 1960, precisely to counter some of those old arguments about unco-ordinated bilateral aid, and to provide a meeting place where donors could exchange confidences. The initial concern of the Development Assistance Committee was with the equitable sharing of the responsibility for providing assistance, and for this purpose it undertook to establish statistical measurements of the flow of resources to countries in the course of economic development.

The Development Assistance Committee, under its first-rate chairman, Mr. Willard Thorp, has performed its task well, both in the area of burden-sharing and statistical analysis, as well as in the stimulation of increased volume and the promotion of more reasonable terms of aid. I make no criticism of its past endeavours, however, when I say that a new impetus is required from this forum, in which most of the Western donors, Australia, and Japan are represented. The Development

Assistance Committee has known, as have the World Bank and the United Nations, that our joint efforts are faltering. The encouraging increases in the expansion of aid that took place before 1961 have not been repeated, and the terms on which assistance is extended are hardening, building repayment problems for the future. It may well be time for the Development Assistance Committee to speak to its members a little more firmly, and to exercise the moral suasion its unique position commands.

We have the assurance of the World Bank that the developing countries could make effective use of at least another \$4 to \$5 billion annually than they are now receiving. This means that the Bank has judged the problems of disbursement and absorption as not insurmountable, and indicates an encouraging view of the possibility of speeding up the timetable of development. I do not know if this volume can be attained in the short run. Taking the practical view, I find it hard to believe that we can collectively achieve a 35 percent increase in all forms of aid within, say, the next five years; but, drawing upon the experience of war, I am not unconscious of the fact that amazing results can be obtained from single-mindedness of purpose.

But, of equal importance, can we provide this aid on terms which will be of long-term assistance to the developing world? It is a sobering fact that the developing countries pay out between them \$3.5 billion a year for servicing their external public debt and twice that sum when private commitments are included. The poorest among them, a former World Bank official has estimated, are now repaying more in interest and principal on World Bank loans than they are receiving in disbursements from the Bank. If we increase the amount of capital available without considering the impact of our terms on the developing countries, we could be compounding current difficulties and postponing indefinitely the creation of conditions of self-sustaining economic growth.

In planning for Canada's programme of development assistance, we have been deeply conscious of the need for more aid, and for aid on better terms. At the present time, Canadian aid in all forms amounts to approximately \$300 million a year, which is about three-fifths of one per cent of our gross national product. In a period when the level of assistance to the developing countries has been tending to remain static, Canada has taken the decision to expand its contribution to international development to an amount approximately equal to one per cent of its gross national product by the early 1970s.

The terms of Canadian aid have always been relatively favourable. In the beginning, almost all our aid was in the form of grants, and grant aid continues to make up a substantial proportion of our total allocations. When the level of aid was expanded and it was decided to make aid available in loan form, the terms were based on those offered by the International Development Association -- that is, no interest, ten years grace, and repayment over a further period of 40 years. Last year, even the three-quarters of one per cent service charge on this type of assistance was eliminated. We recognized, however, that some developing countries would usefully handle loans with somewhat higher repayment obligations and, to meet this particular need, a type of loan carrying interest at three per cent, with seven years grace and 30 years maturity, was introduced.

The third type of loan available, of course, is that issued under the terms of Canada's Export Credits Insurance Act. These are extended on a commercial basis but qualify as development assistance because their terms are softer than those which could be extended directly by Canadian exporters. We include these loans in our aid programme figures because they form part of the internationally-accepted measure of flow, while accepting the argument that they are designed primarily to serve the Canadian exporter. At one time, export credits represented almost one-third of the entire programme, but in the year just past they accounted for only one-sixth, and the proportion is expected to grow smaller each year.

Canada maintains the policy of insisting that its aid be given in the form of Canadian goods and services, of tying our aid funds, in other words, to procurement in Canada. We do this of economic necessity, rather than by conviction, because our sympathies lie with the terms of the recommendation adopted by the Development Assistance Committee in July 1965, which said, in part:

"(Tying of aid) can bring about cumbersome limitations on the freedom of the recipient to choose freely the most suitable sources of supply on the international market. With regard to bilateral assistance, member countries should jointly and individually endeavour, unless inhibited by serious balance-of-payments problems, to reduce progressively the scope of aid-tying, with a view ultimately to removing procurement restrictions to the maximum amount possible."

A significant proportion of Canadian aid is channelled through the multilateral agencies and is, of course, already untied. In respect of our bilateral aid we are willing, indeed anxious, to move from our position in concert with our fellow donors, particularly those whose economic influence in the world is so much greater than that of Canada. To be realistic, I cannot visualize early international agreement on this question, considering the disparate nature of aid programmes and donor economies. I am, however, hopeful that it will be possible to arrive at a formula which would permit gradual movement towards the objective.

In the meantime, we have done our best to mitigate the possible adverse effects of tying aid. Procedures have been adopted to ensure that there will be competitive bidding by our exporters, and we make available a sufficiently broad range of goods and services to enable the recipient country to avoid those with a relative price disadvantage. Perhaps I may observe, at this time, that, as the result of aid associations extending over a period of 15 years, the kind of request made to us today is usually for the kind of service or material that we offer on a world-wide competitive basis of price and quality. Another step we have taken is to reduce the emphasis formerly placed on financing only the foreign-exchange component of a project. In the Caribbean area, in particular, we have indicated our willingness to assume a proportion of local costs where this is necessary to ensure the completion of a high-priority project.



We have also recognized the need for what is called programme or non-project aid. The very pace of development exerts a pressure on such countries as India and Pakistan to use more and more foreign exchange to feed the increasing demands of a growing industrial economy. To meet this need for raw material and spare parts, we have developed a large-scale commodity programme, primarily for the larger Asian countries, and have adopted procedures that enable users to enter into direct relations with Canadian suppliers.

From what I have already said, it will, I think, be clear that Canada's programmes of development assistance represent a significant contribution to the international effort to build a more peaceful and stable world community, capable of meeting successfully the problems of social change and economic development that characterize our times. Aid is, of course, only one of the ways in which the developed countries can contribute to the process of international development. As a result of the work of the United Nations Conference on Trade and Development, we have begun to obtain a clearer understanding of the role which trade can and must play in this process. Unless the trading opportunities of the developing countries are significantly improved, it may well prove impossible for them ever to attain self-sustaining growth.

For many of the developing countries, the export of basic commodities accounts for a large proportion of total earnings from trade, and it is, therefore, a matter of urgency to stabilize and improve their earnings from these commodity exports. This can only be done effectively through international commodity agreements, and Canada has been participating actively in the negotiations which are taking place with respect to several commodities. There is need also to open up larger markets for the products of the industries which the developing countries are establishing. While understandably concerned about the possibility of market disruption, Canada has a relatively good record in providing a market for manufactured goods from the developing countries. We are very hopeful that the tariff negotiations currently being concluded in Geneva (the "Kennedy round") will result in a more rational and efficient international division of labour, and thus be of particular benefit to the developing countries as well as to the international community in general.

Because of the increasing realization that trade relations are of great importance in international development, and the failure of aid programmes to have the full impact that had at one time been expected, there are those who argue that trade, not aid, is the real answer to the problem of under-development. This is, I believe, an over-simplification of the issue, for the provision of capital assistance and manpower training under development-assistance programmes, and the provision of wider market opportunities for the products of the developing countries, are really two sides to the same coin of international development. With the experience gained over the past two decades, Canada, like the other countries which have undertaken programmes of development assistance, has come to realize that the task of international development is much more complex, and more formidable, than was once thought. We have realized that a long-term effort will be required, and, with specific reference

to our aid programmes, that more sophisticated and comprehensive administrative arrangements, and more clarity and precision with respect to objectives, will be necessary.

The purpose of aid, as we see it, is clearly and simply to help the less-developed countries of the world achieve a degree of economic development which accords with the needs and aspirations of their peoples. Unfortunately, this basic, central objective has all too often been obscured and distorted by conflicting considerations. If genuine international development is to take place on the scale desired, and with the necessarily limited resources available, it is essential that the goal of economic development be kept at the forefront of our thinking, and that other goals be discarded, or at least placed in a subordinate position.

There is, for example, a tendency in some quarters to regard aid as a means of exerting political influence. Given the conflict of ideologies which is such an important feature of the international scene, this tendency is perhaps understandable. Certainly, we should hope that the attainment of economic development would encourage the less-developed countries to evolve systems of government consonant with our own ideals of liberty, an open society, and respect for the rule of law. It should be noted, too, that a certain degree of confidence and understanding must exist between donor and recipient governments, if only to make possible the administrative arrangements necessary for the successful operation of an aid programme. But it is, I think, a grave error to view aid as a means of gaining immediate political objectives, or of buying friends. Experience has clearly shown that such a view may not only lead to disappointment but can result also in the waste of scarce resources and a failure to achieve any sort of meaningful economic result.

Another goal which is sometimes claimed for aid programmes, and which I think is also of doubtful validity, is the attainment of immediate commercial benefit for the donor country. Economic progress in the developing countries will, in the long run, result in expanding trade opportunities on a global scale, but aid programmes which have as their principal purpose the stimulation of production in the donor country are not likely to be very relevant to the economic needs of the less-developed countries. The drive and know-how of businessmen in our free-enterprise economies must, of course, be utilized in the implementation of aid projects, but to confuse aid programmes with the promotion of exports, in itself a perfectly legitimate and necessary field of government action, is to run the risk of failing to achieve the objectives of either.

There is also, I think, a risk involved in regarding aid as charity, or as some kind of massive international relief effort. Special emergency measures must, of course, be taken from time to time on an international scale for the relief of human suffering, and such measures often tend to find their way into aid programmes. It would be morally and humanly wrong not to provide assistance when the alternatives are sickness, starvation, and death. But such measures, if they are allowed to become the foundation of an aid programme, may well make it more difficult to achieve effective and lasting economic progress in the



long run. Certainly, a spirit of humanitarianism is an important motive for the provision of aid, but there is, I think, a danger that overemphasis on charitable and humanitarian motives may lead us to underestimate the need for sound policies and effective, practical administrative arrangements if development is to be successfully achieved.

If the goal of economic development must be accorded the dominant position in the thinking of the developed countries with respect to aid programmes, it is equally important that the developing countries themselves evolve policies clearly aimed at this goal. While shortage of investment capital and skilled manpower are two of the principal obstacles to development, and can be at least partially overcome through international development-assistance programmes, there are other obstacles to development which only the developing countries themselves are in a position to tackle effectively. One of these is, of course, the rapid rate of population growth which characterizes so many developing countries, and has reduced the effectiveness, in per capita terms, of so much of the development that has taken place in recent years. Another factor which may inhibit growth in some developing countries is small size, which, of course, results in a small market and loss of the advantages which may be gained from economies of scale. One response to this problem is regional economic, and perhaps even political, integration. It is encouraging to note that increasing numbers of developing countries are seriously examining the possibilities of integration and other forms of co-operation to achieve economies of scale.

In allocating their aid, donor countries are certainly obliged to look for some evidence of performance on the part of the recipients, but I think we must recognize, at the same time, that governments in the developing countries are no freer from day to day pressures than governments in developed countries, and are often less well-equipped to cope with them. As one commentator recently noted, a developing country is faced with the necessity of balancing orderly growth against the disorderly demands of the present. When we recall that almost all developing countries are simultaneously undergoing rapid social change, and are engaged in evolving their own national personalities, it is clear that the criteria which donor countries must apply to ensure effective use of the resources they are contributing need to be tempered by an understanding of, and sympathy for, the particular problems faced by individual developing countries.

Development is not a simple mechanical process, and does not take place in a vacuum; it is influenced and shaped by a great many factors, among the most important of which are those associated with the culture and traditions of the countries concerned. Statistics on economic growth, although important, are not the sole indication of a successful development effort, for a developing country can hardly be expected to pursue economic growth to the exclusion of other goals which it may regard as important, such as a balanced distribution of wealth, and respect for its cultural heritage.

What this means, of course, is that genuine development is an endogenous process; while it can be assisted from without, it must be produced from within. In the final analysis, the quest for development



involves not only higher standards of material well-being but also the sense of responsibility and self-reliance that can come only from the successful achievement of a common goal by means of one's own efforts. The role of aid is to make this task easier and less costly in terms of social and human values, but aid can never be more than a supplementary factor in the overall process of development. Unfortunately, aid may have a tendency to enhance the cultural influence of the developed countries within the developing world, at a time when the most profound problems of the developing countries involve the need to break with this influence, at least to some extent. To recognize this is not to question the value or necessity of aid programmes; it is rather to point out some of the pitfalls, and to underline the need for true generosity of spirit, as well as generosity of purpose, in approaching the task of international development.

In this lecture, I have attempted to outline Canada's approach to international development, and how the form and direction which Canadian aid programmes have taken reflect Canada's own make-up and economic capabilities, as well as its outlook on the world. To conclude both this lecture and the series, I can think of no more fitting words than those of Pope Paul VI in his recent encyclical - words which can, I believe, serve as an inspiration to us all:

"Excessive economic, social and cultural inequalities among peoples arouse tensions and conflicts, and are a danger to peace.... To wage war on misery and to struggle against injustice is to promote, along with improved conditions, the human and spiritual progress of all men, and therefore the common good of humanity. Peace cannot be limited to a mere absence of war, the result of an ever-precarious balance of forces. No, peace is something that is built up day after day, in the pursuit of an order intended by God, which implies a more perfect form of justice among men."





# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/15

## AUTOMOTIVE AGREEMENTS BETWEEN CANADA AND THE UNITED STATES

Speech by the Honourable Paul Martin, Secretary  
of State for External Affairs, to the Economic  
Club of Detroit, Montreal, May 15, 1967.

...This year offers a special opportunity for all Canadians to reflect on their country's past, on its achievements, and on its future destiny. In 1867, there were only four provinces; now there are ten, stretching over four thousand miles from the Atlantic to the Pacific.

Two hundred years ago, the French philosopher Voltaire described Canada as "a few acres of snow". Surely, there are few people who would dismiss Canada so lightly today! *I'm not so sure...*

It has been said that Canada is bounded on the North by gold, on the West by the East, on the East by history, and on the South by friends. Ever since the founding of the Canadian Confederation in 1867, the fact that Canada is bounded "on the South by friends" has been of immense significance.

The fact that you are all here today is abundant testimony to the friendship which prevails between our two countries, between Americans and Canadians. Our centennial celebrations will be all the more meaningful because they are shared by so many people from outside Canada -- by Americans and by people from many lands around the world.

Expo '67 is both the centre-piece of our centennial celebrations, and a great international occasion.

I am sure that you will find your visit to Expo '67 an exciting and stimulating experience. Perhaps nowhere else is it possible to see such impressive and dramatic evidence of the rapid, scientific and technological changes taking place in our modern world.

This rapid and accelerating pace of change has led to growing interdependence, not only between neighbouring countries such as Canada and the United States but among all countries and continents. Increasingly, people throughout the world are coming to realize that nations are not rivals in their efforts to grow and prosper but necessary partners. This represents a marked change from conceptions that prevailed even a few years ago.



The foundations for this new vision of international economic co-operation were established at the end of the Second World War. It has been given institutional form in the World Bank and the International Monetary Fund, the General Agreement on Tariffs and Trade, the Economic and Social Council of the United Nations, and the Organization for Economic Co-operation and Development.

The same conception of international economic interdependence is now beginning to find modest expression and recognition in relations with the countries of Eastern Europe. And, of course, it is reflected in a particularly significant way in the international effort to meet the challenge of development in co-operation with the developing countries of Asia, Africa, and Latin America.

Nowhere in the world is economic co-operation between two countries closer or more varied than between Canada and the United States. Although this may sometimes give rise to special problems, I think both our countries are greatly enriched by the co-operative arrangements which prevail between us.

This co-operation covers many fields. To mention only a few:

- (1) Water resources, as exemplified by the Columbia River Treaty;
- (2) the utilization of energy, including electricity, petroleum and natural gas;
- (3) the special arrangements for the automotive industry.

Coming from the Detroit area, as you do, co-operation in the field of automobile manufacturing is of particular interest to you. I should like, therefore, to say a few special words about it.

The Canadian automotive industry has always been closely linked with that in the United States, but has traditionally faced higher costs because of the limited Canadian market. In an effort to find a solution to the problems arising from short runs, and high costs in the industry, and the rapidly-expanding trade imbalance which resulted, the Canadian Government entered into discussions with the industry and the United States Government. The result, as you all know, was the Automotive Products Agreement, concluded in January 1965.

This agreement is one of the most important and imaginative trading arrangements ever made between our two countries. For the first time in the history of our trade relations, we have concluded an agreement which recognizes that in certain cases differences in size, financial strength and the relative development of our industries may call for special provisions to ensure that Canada, in fact as well as in theory, derives genuine, reciprocal benefits from its trade with its larger neighbour.

Between 1963 and 1966, automobile production in Canada increased from 633,000 units to 902,000 units, and employment from about 60,000 to almost 85,000. At the same time, Canadian exports of automobiles and original parts to the United States increased from \$40 million to \$845 million. Imports from the United States, which were \$605 million in 1963, reached \$1,501 million in 1966. Far from diverting trade, the agreement has clearly proved beneficial to both Canada and the United States.

While the Canada-United States agreement is of unlimited duration, it will be subject to a comprehensive review next year. At that time, we will be looking for evidence that the Canadian automotive industry will have adequate opportunities to participate fully and equitably in the expanding North American market.

I am sure that the North American market will expand, even though in recent months demand in both countries has diminished somewhat, and production has had to be curtailed. The automotive industry is one which tends to be characterized by fluctuating demand, and we should not allow this factor to influence our judgment as to the true value of the agreement.

The Automotive Products Agreement is one example of a specialized response to a special, bilateral problem, affecting trade relations between Canada and the United States. However, both our countries have a major interest in the freeing of trade on a world-wide, non-discriminatory basis. For this reason, we have been paying close attention to the final stages of the "Kennedy round" tariff negotiations which have been taking place in Geneva....

As you tour Expo, you will see many vivid examples of what man can achieve through co-operation. In this sense, Expo, with its theme: "Terre des Hommes" (Man and His World), has an important lesson for us all.

Expo began as an idea, as a dream. It is now a reality. I hope that it may serve to inspire individuals and nations to work together, in our increasingly interdependent world, so that the dream of a better future for all mankind will become reality.

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CANADA

# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/16

## CANADA AND BRITAIN IN A CHANGING COMMONWEALTH

Speech by the Secretary of State for External Affairs,  
the Honourable Paul Martin, to the Commonwealth  
Correspondents Association, London, April 21, 1967.

This is the first time I have made a speech in London since I became Secretary of State for External Affairs. It is, I think, appropriate that I should be speaking to an audience drawn from all parts of the Commonwealth. This great city is many things, but its role as centre of our world-wide Commonwealth association is undoubtedly one of the most important.

Over the years, the Commonwealth ability to adapt to changing circumstances has perhaps been its greatest source of continuing strength and usefulness.

The centennial of Canadian Confederation has provided a useful opportunity for Canadians to reflect on our country's future as well as its past. We have become increasingly conscious of the changes taking place both within our country and in our relations with other countries.

In recent years there has been a "great debate" about the development of the Canadian Confederation. We have, of course, an especially complex form of government in our federal system, in which power is divided between the federal and provincial levels. We have also two major languages, and a population drawn from many countries. As our economy grows, and our society evolves, I think it is to be expected that there will be some signs of strain. But I think it would be very wrong to view these strains as more than growing-pains, as Canadians engage in the common effort of building a better and greater country.

In a few days, Expo '67 will be opening in Montreal. Thousands of people from all parts of Canada, from other parts of North America, from Europe and countries throughout the world, will travel to Montreal to see this world exhibition which has risen, almost literally, from the waters of the traditional gateway to Canada, the St. Lawrence River. To Canadians, Expo '67 in our centenary year represents not only a birthday celebration; it is a statement of faith in Canada, and its future.

Preoccupied as we understandably are with our own prospects and problems, we Canadians are aware of the sweeping and far-reaching changes taking place in Britain, and in Britain's relations with the world. We have, of course,

been influenced by those distinctively British contributions to modern culture, the Beatles and "mod" styles. It is refreshing in a way to have British patterns invading North America. We continue to share a wide range of common interests in international affairs, a range of interests that becomes ever broader as the world grows more complex and interdependent.

In these changing circumstances it will, I believe, be most important for both Canada and Britain to make a special effort to understand the factors shaping each other's foreign policy. Only in this way can we maintain and enhance our traditional, intimate relations, which we value so highly.

We have just concluded the first meeting of the newly-established Canada-United Kingdom Ministerial Committee. The desirability of a forum of this nature was felt as a result of the increasingly complex and broad range of essentially bilateral matters of concern to the British and Canadian Governments. Far from supplanting our traditional Commonwealth channels, I regard meetings of this sort as a valuable means of supplementing and extending our relations.

The enormous changes taking place in the Commonwealth have affected the very nature of the association. Without wishing to underestimate the more traditional values of the Commonwealth, it is, I think, in the search for a practicable formula for building confidence among the various races of the human family that the modern Commonwealth has its greatest relevance to us today. The fact that the Commonwealth embraces so many differing races, in countries which nevertheless share, at least to some extent, a common language and elements of a common culture, gives it a great potential for contributing to international peace and understanding. It affords, perhaps, the most important political institution today for communication between the white "have" countries and the non-white "have-nots", and it has a major role to play in overcoming the division between the less-developed countries and the industrialized countries.

We see the Commonwealth Secretariat as one means of strengthening the Commonwealth in its role as an important link between countries with differing backgrounds and racial composition. By providing machinery to facilitate a broad range of contacts between Commonwealth countries, the Secretariat is making a contribution towards increasing the value of the Commonwealth association. The Commonwealth Foundation, the Commonwealth Scholarship and Fellowship Plan, and the various organizations of a specialized sort which bring together men with common interests have a similar, valuable function. The Canadian Economic Aid Programme is oriented to a considerable extent towards the Commonwealth Colombo Plan, the special Commonwealth African Assistance Programme and our Caribbean Programme -- and our programmes of assistance in military training are addressed to the Commonwealth. Such endeavours on our part, and the various large ways in which Britain assists Commonwealth countries, afford concrete attractions to the less-developed members to maintain the political association. It would appear desirable to continue and extend such measures. Canada, as befits its cultural heritage, is now making a comparable effort in the aid field towards the French-speaking states of Africa and elsewhere.



The Commonwealth has not been regarded as an exclusive organization. Its members have many interests which are reflected in the non-Commonwealth groupings and organizations to which they belong. For example, we understand and appreciate Britain's desire to play its full part in Europe, and we have been most interested to have a first-hand account from Prime Minister Wilson of his recent discussions with leaders of The Six. The decision whether to apply is, of course, one for the British Government to make, in the light of all the relevant considerations.

It is only fair to point out that Canada has important political and economic interests in the kind of arrangements which Britain's membership in the Common Market might entail. We have had an opportunity of discussing these interests with British ministers during the last two days at the meeting of the Anglo-Canadian Committee. However, should Britain decide to seek entry, it would be possible to determine precisely what the effect upon trade between our two countries would be only when the terms for British entry were known. The outcome of the current "Kennedy round" of tariff negotiations is another relevant factor.

Although our geography gives us a somewhat different perspective, Canada has, like Britain, a considerable direct interest in development in the continent of Europe. Simply stated, our interest lies in a stable Europe, whose internal difficulties do not constitute a threat to the peace of the world. Ultimately, this will require, among other things, a German peace settlement and an end to the present division of Europe.

Apart from the vital questions of international peace and security, Canada also has interests in Europe arising from the fact that it is the source of so much of Canada's cultural heritage. In this respect, I think particularly of France, a country which is recognized by Canadians, like Britain, as one of our founding nations.

Sharing as it does in the great traditions of French language and culture, Canada is determined to play its full part in the development of these special ties among the French-speaking countries of the world. In this endeavour, we are guided by considerations related to those which determine our attitude towards the Commonwealth, we seek to preserve, deepen and apply, to the broad purposes of our external policy, traditional attitudes which are particularly meaningful to Canadians. It may well be that the experience, particularly in the cultural field, which we have gained in the Commonwealth will be of use in developing these new Canadian interests in relations with the French-speaking countries. The institutions which give continuous practical expression to the Commonwealth, such as the Commonwealth Foundation and the Commonwealth Parliamentary Association, can perhaps serve as examples of ways in which the bonds between French-speaking countries can be strengthened. Indeed, plans are already being made to hold a meeting of parliamentarians from French-speaking countries. In this way, Canada believes that its relations with the Commonwealth and with the French-speaking world can enrich and strengthen each other.



Until five years ago, Canada was the only independent Commonwealth country in the Western Hemisphere. Now there are five, and, in addition, six Commonwealth islands in the Caribbean have, or are about to achieve, a new "associate" status which gives them a measure of independence.

Because of geographical proximity, and other factors, Canadians have long had a special sense of affection for their West Indian neighbours, and we are confident that our long-standing relation will become more meaningful, and of greater mutual benefit, in this new era of independence. An important, practical step in this direction was taken last year, with the convening in Ottawa of the Commonwealth Caribbean-Canada Conference, which was attended by the prime ministers and chief ministers of all the Commonwealth Caribbean countries, and presided over by our own Prime Minister, as head of the host government.

We recently experienced a deep loss, when one of the most distinguished leaders of the Commonwealth Caribbean, Sir Donald Sangster, former Prime Minister of Jamaica, passed away. Sir Donald was a good friend of Canada, and was known by many Canadians; he was also a strong believer in the Commonwealth, and what it stands for in the world today.

I have been speaking of the changing nature of our Commonwealth association, particularly as it affects Canada. The conflict in Vietnam, while not a Commonwealth problem, is of great concern to countries of the Commonwealth.

It might be noted that Britain, as one of the Co-Chairmen of the 1954 Geneva Conference, has a special responsibility with respect to Vietnam, as have India and Canada, as two of the three members of the International Commission set up to supervise the cease-fire arrived at in 1954. Two other members of the Commonwealth, Australia and New Zealand, both situated in the area of conflict, are contributing forces for the defence of South Vietnam.

Canada has, of course, no direct national interest to assert or maintain in Southeast Asia. We have been drawn into that part of the world as citizens of the wider world community, and we have endeavoured, both through the Commission and in other ways, to use our influence in promoting the cause of peace in Vietnam.

It has been our position all along that a settlement of the conflict in Vietnam will require concessions on both sides. We should certainly like to see the bombing of North Vietnam stopped, but we should also like to see the infiltration of the South stopped, and we should like to see negotiations looking towards the peaceful solution of the conflict begun, for only through negotiations do we believe that a genuine solution can be found.

The situation in Southern Africa is also a matter of concern to the countries of the Commonwealth. The illegal regime in Rhodesia represents a grave problem for Britain and a serious challenge to the principles of racial co-operation to which the Commonwealth is committed. Indeed, it has been the dominant theme at three of the last four meetings of the Commonwealth prime ministers.

The Canadian Government, together with the rest of the Commonwealth, finds any regime representing a racial minority to be unacceptable as a partner in the Commonwealth, or in the world at large. This is why the Canadian Government, with the support of the Canadian Parliament, has been among the foremost in the application of sanctions against the illegal regime.

I have endeavoured to touch briefly on some of the major issues facing Canada and the Commonwealth in the world today.

In the midst of rapid change, the established and traditional relations among nations have a special value. But it would be a serious mistake to allow tradition to blind us to present realities, for the importance of traditional relations rests not on what they once represented but on the ways in which they can be made to serve our present and future needs.

I am convinced that the Commonwealth, so rich in tradition, must be seen in this light. The Commonwealth in its present form, far from being out of date, has a very vital role to play in our modern world, by bringing many nations, each with its own distinctive personality, closer together. We must ensure that no opportunity to have it play this role, for which it is uniquely well-suited, is overlooked.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/17

### NEW DIMENSIONS IN CANADIAN FOREIGN POLICY

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, at the University of New Brunswick Encaenia, May 16, 1967.

I am grateful for the double honour you have paid me today, by granting me the Degree of Doctor of Laws, and asking me to deliver the Encaenia Address.

The expansion in size, number and complexity of our universities is, in part, a reflection of Canada's growing population, wealth and stature. It is also a reflection of the changing world we live in.

I can see similar factors at work in my own field of external affairs, as our relations with other countries have become wider in scope and increasingly complex. A century ago, at the time of Confederation, it was assumed that Britain would conduct foreign relations on Canada's behalf. Such an arrangement could have been possible only in an age when the subject matter of international affairs was limited to a few major issues, such as trade and preservation of peace. In approaching these issues, it was arguable that the advantages of close association with the imperial power outweighed the disadvantages of having the country's foreign policy determined and executed by a government which might be amenable to Canadian advice, but in which Canadians were not represented.

As the relation between foreign policy and the country's domestic interests became closer, and was more clearly perceived, Canadians realized the importance of assuming responsibility for the conduct of their own foreign relations. By a gradual process, in which English and French-speaking statesmen of both historic parties participated, Canada achieved the right to negotiate and sign treaties, exchange diplomatic representatives, and join international organizations on its own behalf. The royal prerogative powers in respect of foreign affairs had been exercised in 1867 on the advice of Her Majesty's British ministers. Within the next 60-year period they came to be exercised, so far as Canada is concerned, solely on the advice of the Federal Government of Canada.

For almost half a century Canada has had an established international personality, and a respected place in the world community. We are active members of the United Nations and a host of other international organizations. Through direct or multiple accreditation we conduct external relations with

some 108 countries. The growth in Canada's representation abroad is impressive in itself, but the changing content of international relations is even more striking.

The themes which were dominant a century ago remain, but even these are increasingly complex. Foreign trade, for example, now involves not merely bilateral negotiations between countries, but active participation in the General Agreement on Tariffs and Trade, the OECD and other international agencies. Our concern for the preservation of peace has led us not just to participate in NATO, an organization for collective security, but to attempt, through the United Nations, to substitute collective diplomacy for war as an instrument for settling disputes.

We are involved today in a variety of international activities which used to be only marginally related to traditional foreign policy, or which, like the control of civil aviation or international co-operation in the peaceful uses of atomic energy, simply did not exist. We now attend international conferences or conclude bilateral agreements on such varied subjects as racial discrimination, economic development and cultural exchanges. In formulating Canadian policy, we must attempt to derive the maximum benefit for all Canadians from the possibilities which our international contacts open to us. We must mobilize the resources of all Canada in order to make a positive contribution to the welfare of other countries.

The formal Canadian constitutional document, the British North America Act, was not, of course, written with any such development in mind. As I have mentioned, the Federal Government now has the responsibility for the conduct of external affairs. But the Federal Parliament, as a result of a decision of the Judicial Committee of the Privy Council, is unable to legislate to implement treaties if the subjects they deal with are those reserved to the provincial legislatures under the British North America Act. A number of subjects which are reserved to the provinces, and which were considered a century ago to be primarily of local concern, are now recognized as matters for international discussion or negotiation.

In having the central government bear the sole responsibility for the overall conduct of foreign affairs, Canada follows the pattern adopted by all federal states with which I am acquainted. I do not think it is necessary for me to explain at length the legal reasons why this should be so. The power to negotiate and conclude formal agreements with other countries is, of course, the prerogative of an independent sovereign state. If individual constituent members of a federal state had the right to conclude treaties independently of the central power, it would no longer be a federation but an association of sovereign powers.

It is true that we are in the minority among federal states in having the constitutional ability to make treaties separated, in certain fields, from the ability to implement them. A study of the actual practice followed in other federal states in coping with the new dimensions of international relations shows that this anomaly is more apparent than real. Even those central governments which, in constitutional theory, could implement treaties



without consultation have tended to be very cautious about using their power. In Canada, we have always had to proceed on the basis of co-operation between the federal and provincial governments. Where a treaty can be implemented through federal action or establishes a framework for co-operation between two countries, the Federal Government has, of course, been able to act on its own. For many years, however, we have consulted the provinces about treaties which would require provincial legislative or other action in order to be implemented. I have mentioned that only the Federal Government can make treaties. It is also the case that only the Federal Government can accredit delegations to international organizations. Only sovereign states can, as a rule, belong to international organizations. No such body has accepted separate representation by the constituent members of a federal state. The sole exception to my knowledge is the participation of Byelorussia and the Ukraine in the United Nations, which was a result of the postwar political settlement and has not established a precedent for other countries or organizations.

The reasons are simple:

If provinces were entitled to become members of an organization such as UNESCO, in which many are interested, there could be as many as 11 separate delegations from Canada at its conferences. They might have 10 per cent of the votes, even though Canada pays only 3 per cent of the UNESCO budget. And if Canada were given this privilege, what of the United States which could claim 51 seats? UNESCO could have several hundred members.

Secondly, there has been a growing tendency for international organizations, when concluding agreements, to specify that their provisions shall apply to all parts of federal states without any limitations or exceptions. They have made the state concerned responsible for harmonizing the interests of its component parts. In face of this tendency, they would be unlikely to agree that a country could splinter its participation, with some parts favouring an agreement and others expressing reservations or objections directly at the conference table.

Lastly, many problems which arise at organizations such as UNESCO are not directly related to education or culture, but to matters of general foreign policy. UNESCO conferences have, for example, discussed the problems of Communist China or apartheid. Obviously, the provinces cannot take an independent stand on issues of this nature in international forums so long as they remain part of the federation. Is it conceivable that on such matters, some Canadian provinces will vote one way and others in an opposite way? Instead of one Canada in the world, there would be a number of entities with different foreign policies. This approach to Canadian representation in international organizations would, therefore, involve the dissolution of Canada as a single state and the creation of a series of smaller states.

In Canada, we permit and even encourage different approaches to certain problems among the various provinces or between the provincial and federal governments. This has always seemed to me healthy. The essence of our federal system is that our various governments can respond to the needs of the people they serve according to the way they think best. But I do believe that in



looking outward, and approaching the international community, we should try to achieve a unity of purpose, and not simply export our differences. What may appear at home to be a healthy diversity of views may seem to strangers to be evidence of a dangerous degree of disunity.

There is a simple and sensible approach to ensuring that provincial interests are taken into account in relation to Canadian participation in international organizations. I might use Canadian participation in the International Labour Organization as an example, especially as the distinguished President of the Canadian Labour Congress, Mr. Claude Jodoin, has been honoured by you today and as I myself have attended its conferences.

As labour is a field of direct concern to both the federal and provincial governments, we have for many years included provincial officials as advisers on the government delegation to the annual conference of the ILO, and have, in addition, invited provincial governments to send their ministers of labour or senior officials as observers. In developing the Canadian position before each conference, the federal authorities have discussed with the provinces those matters likely to arise which would interest them, and have sent relevant documentation to them. In 1964, the Federal Government consulted the provinces to seek their support for the ratification of the convention against discrimination in employment, the provisions of which fell within both the federal and provincial jurisdictions. Since then, two more conventions of this sort have been ratified, after federal-provincial consultation, and studies are in progress about the possibility of ratifying others. As a result of this approach, Canada has a record which compares favourably with that of other federal states in signing and ratifying ILO conventions requiring action at the provincial as well as the national level.

We are always considering how such arrangements can be improved. We are also studying the extent to which these or different methods can be adopted to broaden and strengthen the participation of provincial governments in the work of Canadian delegations to other international conferences. In recent years, a growing pattern has emerged of having provincial representatives included in Canadian delegations to a wide variety of international conferences. Last year, for example, the delegation sent by the Federal Government to the annual conference on public education, held in Geneva under the auspices of UNESCO and the International Bureau of Education, included representatives of Canadian education whose names were suggested by the standing committee of ministers of education of the provinces. This has been done in a manner which is consistent with the Federal Government's overall responsibility for the conduct of the country's foreign policy, and it increases the benefit which all Canadians gain from the work of these organizations.

I mentioned earlier that we have been consulting the provinces about international agreements which require action on their part in order to be honoured. As an example of how this is done, I might refer to the United Nations Covenant on Human Rights.

One of the principal purposes of the United Nations is, in the words of its Charter, "to achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character, and in

promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion". In December 1966, the United Nations General Assembly adopted the International Covenants on Human Rights. The Canadian Government voted for the Covenants because we support their purpose, which is to give effect by means of the binding obligations of international treaties to the principles embodied in the United Nations Universal Declaration of Human Rights, adopted in 1948. We are now, in consultation with the provinces, considering the implications of ratifying them.

The first Covenant concerns economic, social and cultural rights. Many of its provisions relate to matters which fall largely within the sphere of the provinces, but others, such as those dealing with conditions of work or standards of living, are also the responsibility of the Federal Government. The second Covenant, on civil and political rights, largely pertains to the federal field, but the right to liberty and security or the equality of men and women, for example, also require action by the provinces.

The Covenants quite reasonably specify that a federal state which chooses to ratify them cannot subsequently claim to be exempt from carrying out their provisions because of conflicting domestic jurisdictions. They therefore provide an excellent example of the problems which we must solve in Canada in meeting our international obligations. I think we can do so in a manner which will be in the interests of all Canadians. As I have mentioned, the Federal Government has already started consultations with the provinces about ratification.

To celebrate International Human Rights Year in 1968, the United Nations has asked member states to ratify as many of the Human Rights conventions as possible. The Government is at present studying the possibility of ratifying the Convention on the Elimination of All Forms of Racial Discrimination, adopted by the United Nations in December 1965. In August 1966, Canada signed this convention to indicate our support for the efforts of the international community to eliminate the evils of racial discrimination. Again, as many of the provisions of the convention fall within provincial jurisdiction, we are consulting with the provinces as to the implications of ratifying this instrument. Thanks to the co-operation of provincial authorities, I believe the Government will be able to announce a decision on ratification at the latest during 1968.

The Federal Government has also tried to accommodate, as far as possible, the special interests which some provinces may have in the conduct of Canada's bilateral relations with other countries. As an example of how this can be done, I might mention the accord-cadre signed with France in November 1965, on education and culture. Under this agreement, it is possible for individual provinces and France to develop administrative arrangements to facilitate cultural and educational exchanges, subject to the approval of the Federal Government. There are many ways consistent with our Constitution and the existence of one Canada in the world in which the provinces' particular interest in Canada's bilateral relations can be taken into account and developed.

Co-operation between the federal and provincial governments is also desirable in the field of external aid. Canada is playing an increasingly important role in the provision of economic and technical assistance to the

developing countries. We have been increasing the amount of money available for this purpose by an average of \$50 million a year. I hope that Canadian aid will approximate one per cent of our national output by the early 1970s.

External aid might, at first glance, seem to be an activity of concern only to the Central Government. It is an integral part of Canadian foreign policy, and is, perhaps, the most substantial and rewarding aspect of our relations with many developing countries. In its initial phases, an aid programme involves intergovernmental negotiation and the signing of agreements. In its execution, the programme requires a network of diplomatic missions abroad, and a government at home able to draw on the experience, manpower and financial support of the whole country.

Many aspects of aid are, however, closely related to fields in which the provinces have a direct interest. In sending teachers abroad, the Central Government has to take into account provincial needs and avoid unreasonable competition for scarce skilled personnel. Although it may hire teachers directly, it may also in some cases wish to benefit from provincial recruiting facilities.

Some provinces have a particular concern for one or other area of the world or certain skills or facilities to offer. They may, therefore, have a special interest in some aspect of aid to the developing countries. We naturally welcome this interest, as we do the efforts of individuals or organizations such as church groups or private firms, whose aims are compatible with Canada's foreign policy and aid objectives. We have had a continuing dialogue with the provinces concerning ways in which they can make a special contribution to the provision of economic and technical assistance to other countries.

A century ago, when Canada was founded, our statesmen were concerned with the problems of completing Confederation and developing the country. This year, we are celebrating the results of their work. Canada has grown enormously in population and wealth over the past 100 years. Correspondingly, we have been called upon to play an increasingly important role in international affairs. We are presented with new opportunities and new obligations. If all Canadians work together, I am sure that we can meet this challenge successfully.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/18

### SOME REFLECTIONS ON THE PRINCIPLES UNDERLYING CANADIAN FOREIGN POLICY

Speech by the Honourable Paul Martin, Secretary  
of State for External Affairs, at Waterloo  
Lutheran University Convocation, May 22, 1967.

...The process of growth and change which has been so evident in higher education in Canada in the last few years has also been very evident in the field for which I am responsible -- namely, foreign policy. While the principles which have traditionally governed the conduct of our relations with other countries remain valid, the way in which they are expressed in policy must reflect the changing circumstances of our times. It is on this theme that I should like to say a few words today.

Although we are this year celebrating the one-hundredth anniversary of Confederation, the development of a distinctive and independent Canadian foreign policy is more recent. It was not until 1907 that we had a separate Department of External Affairs, and for many years after that our foreign policy was limited to ensuring that Canada's particular interests were taken into account in the conduct of British imperial foreign policy. Canada became a member of the League of Nations when it was established in 1920, but never assumed an especially active role in that ill-fated organization. Pre-occupied with our own problems and by the needs of our own development, we did not feel any great need to concern ourselves with events outside our borders.

With the benefit of historical perspective, it is clear that the Second World War marked a major turning-point in the evolution of Canadian foreign policy. Canada came out of the war more fully aware not only of its vital interest in preserving peace throughout the world but also of its ability to bring its influence to bear in the councils of the nations more positively and effectively than before. And, of course, the postwar world, which had seen the dawn of the atomic age, was a much more dangerous place, in which no nation, and, indeed, no responsible citizen, could afford to ignore the issues which threatened to divide the world's peoples.

Early in 1947, shortly after he had been appointed Secretary of State for External Affairs, the Right Honourable Louis St. Laurent gave a lecture at the University of Toronto in which he set out to define the principles underlying Canadian foreign policy. As Mr. St. Laurent pointed out in his lecture, a policy in world affairs, to be truly effective, must have its foundations

laid upon general principles which have been tested in the life of the nation and which have secured the broad support of large groups of the population.

The principles which Mr. St. Laurent distinguished were as follows:

- (1) national unity;
- (2) political liberty;
- (3) the rule of law in national and international affairs;
- (4) the values of Christian civilization;
- (5) the acceptance of international responsibility in keeping with our conception of our role in world affairs.

Twenty years have passed, but I think the principles listed by Mr. St. Laurent would still be widely accepted in Canada as guidelines in the conduct of our foreign policy. However, it seems to me that they may need to be expanded somewhat, if they are to reflect the realities of the modern world.

In particular, I believe that we must now acknowledge that national security is a vital factor underlying our foreign policy. The survival of Canada is necessarily our primary objective.

To the conception of political liberty, I think we should now want to add that of social justice, for it has become increasingly evident that the freedom we so rightly prize can flourish only when there is a social order characterized by a fair distribution of wealth and equal opportunity for all. Hand in hand with this principle would go another -- namely, economic development, both in Canada and in the world at large.

We might also rephrase the last principle, or guideline, as the acceptance of international responsibility in accordance with our own interests and our ability to contribute towards the building of a peaceful and secure international system. While it is not inappropriate to speak of our role in world affairs, it may be misleading, in that it can lead to the belief that there is some particular role that we are predestined to play. As with other countries, Canada's foreign policy must ultimately reflect its national interests, the foremost of which is, of course, the maintenance of world peace.

In summary, then, it appears to me that the basic principles, or guidelines, underlying our foreign policy could be listed as follows:

- (1) national security;
- (2) national unity;
- (3) political liberty and social justice;
- (4) the rule of law in national and international affairs;
- (5) economic development in Canada and the world;
- (6) the values of Christian civilization;
- (7) acceptance of international responsibility, in accordance with our interests, and our ability to contribute towards the building of peace.

In 1947, it was possible for Mr. St. Laurent to discuss the practical application of the principles which he had listed under a limited number of headings: the Commonwealth, relations with the United States, traditional ties

with France, and support for constructive international organization. None of these applications have diminished in importance, but circumstances have so changed as to require a much broader view now than was either possible or necessary 20 years ago. Indeed, there is now no part of the world which lies outside the scope of Canadian foreign policy.

In the period since the war, there have been two particularly significant changes in the nature of international affairs which have had major implications for our foreign policy. The first is the very great increase in the number of sovereign, independent states during the last 20 years, resulting from the dissolution of the old European empires in Africa and Asia. This change has, of course, been most strikingly illustrated in the continent of Africa, where the number of independent countries has increased from four in 1945 to 37 today.

The emergence into the mainstream of world affairs of so many newly-independent states has had implications far beyond the increase in absolute numbers. For many of the new nations, independence has been only the first step in the often difficult and agonizing process of nation-building. In the great majority of them, standards of material well-being have been extremely low, and the complex technological and industrial society which we now almost take for granted in the older, Western countries was virtually unknown. Under the circumstances, it was only to be expected that instability and uncertainty would characterize the newly-independent states as they embarked on the enormous and challenging task of simultaneously building modern economies and modern national societies.

The second major change in the nature of international affairs which deserves special mention is the greatly increased complexity and diversity of economic relations between states. While trade has traditionally been one of the first and most important factors in bringing peoples and nations into contact with one another, trade is now only one aspect of the economic relations between states, and even it has grown immensely both in volume and complexity over the years. Other, newer aspects of international economic relations include those in the fields of monetary management and of development assistance.

The evolving nature of economic relations between states has given rise to the establishment of a whole range of influential international organizations, such as the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade, and the Organization for Economic Co-operation and Development. There is also, of course, the United Nations itself, which, through the United Nations Development Programme and the various Specialized Agencies, has assumed major responsibilities in the economic field. The importance of this is underlined by the fact that four-fifths of the financial and manpower resources available to the United Nations system are now applied to the tasks of economic development.

The international effort which is now being made to assist the economic development of the developing countries is perhaps the most clear-cut, practical illustration of the widespread realization that nations are not rivals



in their efforts to grow and prosper but necessary partners. The responsibilities of governments for human welfare are no longer limited by national boundaries. This represents a marked, indeed a revolutionary, change from conceptions that prevailed even two or three decades ago.

As one of the major developed countries, Canada has a clear responsibility to participate fully in the task of international development. Canada's programmes of development assistance began when the Colombo Plan was established in 1950, and have now grown to approximately \$300 million a year. The Government has taken the decision to increase its contributions to international development to the level of one per cent of our national income by the early 1970s.

Canada's aid programmes are but one example of the way in which our foreign policy has evolved in recent years in accordance with the guidelines set out by Mr. St. Laurent in 1947. Another example can be found in our developing association with the "Francophone" countries.

It is true now, as it was 20 years ago, that our foreign policy must reflect both our French and English heritages if it is to contribute to national unity. There are now many more French-speaking countries than there were in 1947, and the scope for valuable associations based on our French heritage has greatly increased. I am convinced that all Canada stands to benefit from this development.

Our efforts to establish the rule of law in international affairs are concentrated now, as they have been since 1945, in the United Nations. Canada has been ready to contribute to United Nations peacekeeping operations, and to support the United Nations in other ways, in the firm belief that through this international organization we are helping build a firm structure of international order.

Like any forum embracing different members, and reflecting different viewpoints, the United Nations is only as strong and as effective as its members choose to make it. For this reason, I believe it is of vital importance that the United Nations be made truly universal, and that the power to make decisions within the United Nations context be clearly related to the responsibility which ultimately devolves on member states for their implementation. It is also, I believe, most important that the nations of the world realize that the effectiveness of the United Nations, and, in the final analysis, their own security, depend on their willingness to accept modifications in the conception of national sovereignty in accordance with the interests of the wider international community.

It is, unfortunately, still true that threats to the peace can arise which, for one reason or another, it is not possible to deal with through the machinery of the United Nations. The present conflict in Vietnam is, of course, a case in point.

I want to make it absolutely clear that the Canadian Government fully shares the deep concern which so many individual Canadians feel about the dangerous situation in Vietnam. The question which has faced the Government is to determine what course it can and should follow to mitigate the dangers and de-fuse the conflict.

It has been my strong preoccupation in recent months to explore every possibility open to us that might afford some opportunity for a reduction in the scale of hostilities, including the cessation of bombing, and set the parties to the conflict on the path to a negotiated settlement. Because Canada has a role in the area through its membership on the International Commission, however little that Commission may seem to be able to achieve in the present circumstances, we do have an opportunity for exploring and assessing possible courses of action. It has been, and continues to be, my belief that constructive and unremitting efforts in this area hold out the best hope for the Government of Canada to play a useful part in the tragic situation in Vietnam.

It is a matter of judgment whether public exhortations addressed to one side or the other will enhance our capacity to influence the course of events. My own judgment has been that, in the circumstances obtaining up to now, the policies we have been pursuing have offered the best means of doing just that.

From a longer-term point of view, of course, the Vietnam conflict has re-emphasized the necessity of strengthening the means available to the international community as a whole to prevent such situations from getting out of hand. There is an almost universal desire to see the problems of Vietnam peacefully and justly settled, and yet the conflict goes on and becomes more and more menacing. Surely the nations of the world -- and, in particular, the great powers -- must realize that the time has passed when they could safely pursue their interests, or even their deeply-held convictions, outside the framework of an organized international community.

In this centennial year of 1967, we in Canada are being made particularly aware of the exciting potential which lies in the future for this country and, to paraphrase the theme of Expo, for "Man in his World". The conflict in Vietnam, the threatening situations in other parts of the world, and the distressing problems of hunger and poverty in so many of the developing countries are pointed and tragic reminders that truly formidable obstacles remain to be overcome if the bright promise of the future is to be realized.

Our foreign policy is concerned with overcoming these obstacles. The tasks ahead will require not only sound principles, but patience, wisdom and determined effort. In undertaking these tasks, I am confident that Canada will be serving its own interests, and those of the wider world community, if it strives in all things to be a "good citizen of the world".





# STATEMENTS AND SPEECHES



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No. 67/19

## CANADIAN VIEWS ON VIETNAM

Text of a speech by the Honourable Paul Martin,  
Secretary of State for External Affairs, in the  
House of Commons on May 23, 1967.

When, a year ago last January, the Secretary-General and I discussed the question of Vietnam, I was persuaded by his argument that the settlement of this problem must be within the framework of the Geneva Conference. Regrettably as it was, the United Nations, the Security Council or the General Assembly, could not be expected to deal effectively with this problem because of the absence from its membership of particular countries involved. From that moment on we sought, as I have reminded the House time and time again, to impress upon India and Poland the desirability of constituting the three members on the Commission into a body that might have as its prime purpose the narrowing of the gap between the parties, based on the fact that this instrument has a readier access to Hanoi and to Saigon than any other instrument. We have not been able to persuade all the members of the Commission of the importance of this proposition, although both Poland and India have recognized the potential role for the Commission in this situation.

We did not limit our efforts only to our role as members of the Commission, but on two occasions we sent Mr. Chester Ronning as a special emissary of the Government of Canada to Hanoi, to Saigon and to Washington for the purpose of seeing whether or not he, in the name of the Government of Canada, could make any progress in delineating the distance between the parties and seeing whether or not a formula could be reached which might at least bring about preliminary discussions between the parties involved in this war....

I stated that this Government was concerned about the course of events in Vietnam. For 20 years now, since the end of the Second World War, the world community has tried to build a system of international law and order. It is part of that system to settle disputes by peaceful means. We regret that in Vietnam recourse has been had to military means to deal with what is essentially a political problem. We are naturally concerned about the tragic toll in human suffering and destruction which this conflict is bringing to the Vietnamese people and to their country. We are also concerned that the longer the conflict continues the more difficult it will be to overcome suspicion and distrust on both sides. The longer the conflict continues the greater, of course, are the risks that it may expand, by inadvertence or deliberation, into something more serious. Accordingly, we have urged restraint in those areas and in the way which we thought was the most effective.

I spoke a moment ago of Mr. Chester Ronning, and of the Commissioner's frequent visits to Hanoi.... If Hanoi has repeatedly observed that there is a Hanoi-Canada channel, it is only because Hanoi believes that Canada does have some influence in Washington. What other reason could there be for the way in which our emissaries have been received? What other reason could there be for the nature of the discussions that they have had?

I am not indicating to this House (and I hope that Hanoi will not suggest that I am) what these discussions have been. I have respected fully the confidence of the Government of that country to our emissaries, including Mr. Ronning. As I have said, if we do have a credibility in Hanoi it is because it is thought that as a friend of the United States we rightfully enjoy the confidence of the United States.... Should we retain any credibility in Washington... if we were to engage in consultations with the United States and at the same time follow courses of action that would inevitably destroy our right to their credibility and their confidence?...

So... we intend to carry out our responsibilities to the Commission, and we believe that this is the right course for us to follow. We note with satisfaction that this is the view of India and also of Poland. The Canadian Government has directed its efforts toward finding a basis on which the parties to the Vietnam conflict might be brought into direct contact. I have indicated some of the steps that we have taken in our endeavours in that regard.

The Canadian Government has held that a solution to the problem in Vietnam must be sought by political means. That is part of Canadian policy. We have made it clear that we look to negotiations to settle this problem. It seems important to us that any settlement of the present conflict should be such as to hold out a reasonable prospect of long-term stability in that area. This is because we think that the problem in Vietnam cannot be isolated from the security and stability of Southeast Asia as a whole. We regard the basis of the Vietnam problem as a political one.

As we see it... what is primarily at issue between the parties is the future political arrangements in South Vietnam. It is argued on both sides that the guiding principle should be the right of the people of South Vietnam to determine their own destiny. It seems to us that the best way of achieving this is to afford the people of South Vietnam an opportunity to determine, by the test of the free ballot, under what institutions and under what government they wish their affairs to be conducted. We believe that the best way in which the Canadian Government can bring its influence to bear on the Vietnam situation is by doing exactly what we have done....

On April 11, in the External Affairs Committee, I outlined four suggestions or ideas that are in keeping with the Geneva Accords; I suggested procedures for a cease-fire arrangement. I said at the time that I did not believe the climate was right for their acceptance; the reaction in Hanoi has been negative. Hanoi takes the position that there can be no parity of position between the parties, and that first of all there must be an acknowledgment that the United States, as Hanoi puts it, is the aggressor, and this notwithstanding the findings of the Commission in 1962.

While the United States would probably find most of our points acceptable, I believe it would register objection to an approach to de-escalation which begins with mutual disengagement in the Demilitarized Zone coupled with a cessation of the bombing. I think that would be unacceptable to them.... The point I make is that, not only should there be a mutual disengagement in the Demilitarized Zone but that, in all equity, if both sides accept that arrangement, there ought to be a cessation of bombing. Mr. Rusk has not explicitly accepted that.

The Canadian Government is prepared to make its own contribution to the eventual settlement in Vietnam. We envisage that any agreed settlement of the present conflict will make provision for some sort of international presence. That, indeed, will be a very difficult assignment and, if and when it comes, as the former Prime Minister of Britain has put it, it may need to be buttressed by the guarantees of the great powers....

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/20

## A CANADIAN VIEW OF THE UNITED STATES AND VIETNAM

Text of a speech by the Prime Minister,  
the Right Honourable Lester B. Pearson,  
in the House of Commons on May 24, 1967.

I believe that the purposes and objectives of United States policy in Vietnam were not aggression. I believe that the United States moved into Vietnam in the first place to help South Vietnam, at the invitation of the Government of that country, to defend itself against military action and subversive terrorism aimed at preventing the people of that part of Vietnam making their own decision as to their future development and political institutions, rather than having one particular solution forced upon them under the guise of a liberation struggle conducted in the interests of a totalitarian Communist regime in North Vietnam which has not allowed and does not intend to allow its own people any choice as to their social, economic or political system.

Mr. Bundy, who played an important part in these matters in earlier days as Adviser on Foreign Affairs to the President, has written these words: "United States policy remains based on the continuing conviction that we should be ready to do our full share to help prevent the Communists from taking South Vietnam by force and terror."

We may not agree with this policy, but I think those words are a rational explanation of the policy followed by men in the United States who are men of goodwill and as peace-loving as we are. I can understand their position in this regard. That does not mean a Government in Canada has to support or approve all the measures taken or all the measures adopted by United States forces in Vietnam, let alone by governments in Saigon -- and remember there have been more governments than one -- in achieving their purposes. And on occasions, when I have felt it necessary to speak publicly and not confine myself to diplomacy..., I have made this clear.

I have spoken publicly when I felt it was necessary to do so and might be of some value. Two years ago, in Philadelphia, I proposed a pause in the bombing for what I thought would be a helpful purpose, and later I think I was the only head of a Western government who publicly regretted the resumption of the bombing. I still regret it. I think it was a great mistake on the part of United States Administration at that time to resume the bombing in the circumstances in which it was resumed. But this does not mean and will not mean, in

present circumstances at least, that we should join the chorus which has denounced the United States for being in Vietnam at all. That is a different matter.

If this is our position, I do not think we will accomplish anything constructive by accusing the United States of sole guilt and sole blame for what has happened in that country and by doing so trying to impose a kind of moral sanction against the United States. It seems to me that anyone in the position of governmental responsibility -- and I am certainly in that position -- who adopted those tactics, would by doing so cut, or certainly weaken, the lines of official communication between Ottawa and Washington on this subject and I cannot think any useful purpose would be achieved by doing that, especially if we felt we could use those lines of communication to give good advice to our friends....

I go along 100 per cent with the statement made by His Holiness the Pope yesterday /which linked an end to the bombing with a halt to infiltration/ because it is a statement which has been made on this side in the House of Commons, and outside it, when we previously advocated bringing an end to the bombing and, associated with that, an end to infiltration of troops from the North into the South.

This is not a one-sided matter. There can be very honest, sincere, and indeed emotional differences of opinion on it. Last night I was looking over the record of the negotiation offers that had been made in the last two or two and a half years, each one of which had been rejected by the Government in Hanoi and accepted by the Government in Washington.... This does not mean that we should not try to find some proposal that is acceptable to all parties, and of course we will continue to strive to do that.

The other day I read an editorial in a very influential Washington newspaper, the Washington Star. The editor of the Washington Star says: "The time has come, in the Star's opinion, for the U.S.A. to stop bombing in North Vietnam. We say this without the slightest apology for the Administration's conduct of the war up to now. The decision to start bombing was necessary and right. An aggressor cannot be permitted to take for granted his security at home while he wages war on his neighbours. The policy of the careful escalation of bombing, subject to tight restrictions on the choice of targets, seemed likely to bring Hanoi to its senses and has had our full support. But every military strategy must be subject to constant review and reappraisal. It is necessary to weigh the gains against the risks, to ask whether hoped-for results are in fact being achieved. It is necessary to watch for the moment where a change of strategy may produce a greater gain at a decreased risk. That moment has arrived. We should say nothing, explain nothing, set no conditions or limitations on our switch of strategy. We should simply stop bombing and see what the enemy does...."

I am sure that the Administration in Washington is giving very careful consideration to this idea, which has been repeated in recent weeks by many inside the United States.



I do not think, however, that the adoption of the sub-amendment by this House /to call on the United States to stop the bombing/ by a parliament outside the United States would serve the purpose that we have in mind of bringing this war to an end. It is an amendment which has not been dealt with by any other parliament friendly to the United States that I know of, and I do not think this kind of amendment would serve the purpose we have in mind. Indeed, if we begin to give this kind of formal parliamentary advice from outside the United States, it might conceivably have the opposite effect. I also think we should be careful not to put our hopes so high in regard to the abandonment of the bombing of North Vietnam that we are likely to run into disillusionment if that should take place and fail. I myself would not attach excessive expectations to peace and a negotiated settlement if bombing should end tomorrow.

We might, as we have in the past -- and by we I mean the Western countries, the friends of the United States -- well run up against what has been encountered before, namely escalation of demand on the other side. So I think it might be desirable to find out what the reaction in Hanoi would be to an immediate and unconditional end to bombing of the North. Would they stop fighting and begin talking and, if they refused or attached a new condition, would the danger of massive escalation be increased? This is another factor we have to take into consideration....

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/21

## CANADA AND LATIN AMERICA

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, at the Canadian Inter-American Association Dinner, Ottawa, May 31, 1967.

It is a great pleasure for me to be with you this evening, at this dinner given by the President of the Canadian Inter-American Association for the diplomatic representatives in Canada of the Latin American and Caribbean countries.

I should like to take this opportunity to pay tribute to the Association, to its leaders, and to its work which, I am sure, will steadily grow in importance. Organizations such as the Canadian Inter-American Association, representing as it does a wide cross-section of those in Canada who are interested in Central and South America and the Caribbean, perform a most valuable service by adding an extra dimension to Canada's range of contacts with other countries.

Everyone here is, I am sure, well aware of how Canada's relations with Latin America and the Caribbean have so far developed, and what activities are now more or less commonplace. A brief summary of these relations would include the following items:

- (1) Diplomatic relations with all countries in the Hemisphere.
- (2) A significant trade with many of them, and substantial and growing investments.
- (3) Development assistance, in the form of loans made through the Inter-American Development Bank, programmes of aid for the Commonwealth Caribbean countries, and export-credit financing.
- (4) A common concern with international affairs, in which there is evidence of a fundamental similarity of outlook on most of the basic issues which face the world community.
- (5) Increasingly frequent participation in meetings of regional intergovernmental organizations such as the Economic Commission for Latin America, and in conferences of professional, scientific



and other learned societies organized on a Hemisphere basis.

With respect to this last item, I should like to note, in passing, that the Fourth Reunion of Central Bank Governors of the American Continent is now taking place near Montreal. We are delighted to have this meeting of Hemispheric significance in Canada this year.

I know that interest in the countries of the Americas is quietly growing in Canada -- for example, in institutes such as the host organization this evening, the Canadian Institute of International Affairs, and several universities, both French- and English-speaking. With the help of those of us, both Canadians and Latin Americans, who are in a position to increase knowledge and understanding of Latin America in Canada, interest in that part of the world should grow from coast to coast in the years ahead and, I should expect, will significantly increase in the immediate future.

I should like to look forward a little from here and give you some perspective from the Canadian point of view on the future development of Canada's relations with the rest of the Hemisphere.

First a word about the question of Canada joining the OAS. The fact that the Canadian Government has not yet decided to apply for membership in the OAS may be puzzling to some interested observers in Latin America. I should, nevertheless, hope that our attitude may meet with a large measure of understanding on the part of our Latin American friends, and that they will pay attention to what we are doing and seek to do, even if it falls short of applying for membership in the OAS at present.

It goes without saying that we in Canada are impressed by the constructive manner in which the OAS and its agencies are addressing themselves to the basic issues which confront Latin American countries at this time. I should like to suggest to you that, just as we in Canada respect the OAS, so the Canadian attitude toward the OAS is deserving of respect. It is by no means a negative attitude, for we are, in fact, co-operating with OAS agencies in a number of ways.

The fundamental reason for our not yet having decided to apply for membership in the OAS is our desire to be sure that, in taking on new commitments, we are in a position to meet them fully and effectively. We do not easily assume new obligations and, once we have assumed them, we take them seriously. For my part, I have no doubt whatsoever that membership in the OAS is part of the ultimate destiny of Canada as a country of the Western Hemisphere.

In the meantime we are adopting a pragmatic approach to the OAS and to our relations generally with the American countries. That our interest in the OAS and its work is growing is undeniable. Canada has for many years been a full member of three agencies linked with the OAS. Since 1961, we have sent observers to meetings of the Inter-American Economic and Social Council; during the past two years, Canada has been represented at three high-level meetings of leaders of OAS countries; and, as I have already indicated, we are supporting the work of the Inter-American Development Bank.

We are not content with this. We are constantly searching for additional ways in which we can co-operate in a practical manner with other countries in the Hemisphere, not only through multilateral channels such as the OAS and its agencies but also on a bilateral basis.

In discussing Canada's external relations in a Hemispheric context, I must, of course, make particular reference to the Commonwealth Caribbean, where we have special ties arising from historical and other factors. One of the Commonwealth Caribbean countries has now taken the step of joining the OAS, and others have expressed an interest in doing so. It is, I believe, fitting recognition of the developing contacts between the Commonwealth Caribbean and Latin America that the high commissioners of the Commonwealth Caribbean countries in Canada have been included in this gathering tonight.

There is nothing in Canada's special relationship with the Commonwealth Caribbean which is in any way exclusive. While we are anxious to do everything we can to strengthen the ties between the Commonwealth Caribbean and Canada, we fully recognize that these ties represent an integral part of our own Hemispheric relations, and we welcome the increasing contacts between the independent Commonwealth Caribbean countries and other countries of the Hemisphere.

Returning to the subject of the OAS, I should like to say a word about the recent meeting of heads of state at Punta del Este. We took a great interest in this meeting, at the open sessions of which there was a Canadian representative, and we were greatly impressed by its deliberations and by the possibilities of co-operative progress which it seems to open up. The main objective established by the meeting, the creation by 1985 of a Latin American common market, holds out great promise for the economic advancement of the Hemisphere.

We welcome Latin American efforts to further economic development and to increase the capacity of Latin American countries to participate in the growth of world trade through measures of regional co-operation and integration. While the precise implications for Canada of the proposed common market will become clear only as the project evolves, at this stage we take a positive attitude toward this emergent economic grouping, which is of great potential importance both for world trade in general and for the future development of our own commercial relations with the participating countries.

A more immediate plan for improving the trading position of developing countries, including the countries of Latin America, received support from President Johnson at Punta del Este. This is the plan, which has long been under discussion, to establish a globalized system of temporary preferences for the products of developing countries in the markets of all developed countries. We recognize the importance of President Johnson's decision to seek a consensus in favour of such a system, and we shall be studying the proposal carefully in the context of our continuing examination of various approaches to the problem of improving the trading opportunities of developing countries.

In conclusion, let me frankly assert one of the main reasons for my conviction that Canada must develop increasingly close relations with Latin America. This is the prospect that, between now and the end of the century, Latin America will become one of the most influential regions of the world.

The exact shape of things to come in Latin America is no more certain than in any other part of the world. The problems which already face Latin American leaders, and which may well be aggravated by a rapidly rising population as time goes on, are formidable and increasingly pressing. Yet a combination of constructive forces, already apparent, should serve to tip the balance toward success:

- (1) Sensible domestic policies designed to maintain economic momentum.
- (2) Readiness to adopt measures of regional economic co-operation, which will give strength to all participants.
- (3) Insistence on non-intervention as the necessary counterpart of the conscientious acceptance of responsibility by governments for the good government of their peoples.
- (4) Effective co-operation by outside countries and agencies in the economic development of the region.

More than 30 years ago, when I first entered Parliament, I developed a keen interest in Latin America. I have maintained that interest ever since. It is, therefore, a matter of satisfaction for me to see the growth of our relations with the countries of this Hemisphere, a development which, I am sure, will be of great benefit to us all.

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# STATEMENTS AND SPEECHES

Government  
Publications

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/22

## TOWARD THE CONTROL OF NUCLEAR WEAPONS

Address by Mr. Donald S. MacDonald, Parliamentary Secretary to the Secretary of State for External Affairs, to the Canadian-American Assembly on Nuclear Weapons, Scarborough (Ontario), June 18, 1967.

This Assembly has been a very useful sequel to the International Assembly held almost exactly a year ago in this place. While our terms of reference have been more limited, emphasizing the continental as opposed to the global aspects of last year's seminar, they are nonetheless pertinent and topical. The Canadian Institute of International Affairs and the American Assembly deserve special commendation for the imagination, persistence and expedition with which they have pursued the issues of nuclear-arms control and have enabled us to apply the knowledge and experience gained last year to issues which affect our two countries at this very critical juncture.

I think Canadian and American observers of the arms-control scene too often jump to the conclusion that, because they share one continent, a common culture, similar broad political interests and a common approach to defence through two important alliances, Canada and the United States take an identical approach to questions of nuclear-arms control. It is true we strike a very similar posture on most fundamental strategic and political issues. However, there are important differences of emphasis of which you will, I am sure, be well aware. These differences are also apparent in the way we each tend to look at specific arms-control measures.

### Similarities of Approach

It is probably fair to say that both Canada and the United States agree that nuclear-arms control can and should contribute to the reduction of international tension. Neither is so naive, however, as to believe that nuclear-arms control or disarmament can be achieved overnight in a dramatic sweeping gesture. Rather we both maintain that it can be achieved only by careful, gradual and systematic steps. Since, in the final analysis, military confrontation is only symptomatic of underlying political conflict, we should not dispute the proposition that a resolution of outstanding international political issues is more fundamental to disengagement and détente than agreement on specific measures of arms control and disarmament. Nor should we question the proposition that our mutual security rests on a balance of military power, which it would be

foolhardy to disturb pending the evolution of more effective machinery for maintaining international order and settling international disputes. Our confidence in our potential adversaries is not such that we should wish to dispense with appropriate measures of verification in arms-control and disarmament agreements. In general, I think it can be said that we both take an active and optimistic, though realistic and pragmatic, approach to problems of reducing and eliminating the possibilities of armed conflict.

### Differences in Approach

But, as I have already suggested, there are important differences of emphasis in the Canadian and American approach to nuclear-arms control. These arise out of differences in our political institutions, in our economic strength, in the size and nature of the armed forces we maintain, in our philosophy of national power, and in our conception of our respective roles in the international community. I shall not attempt to analyze these differences in detail; they are, I think, self-evident to anyone who reflects on them. Rather, I shall attempt to show how they affect our way of looking at the important contemporary problem of how to control and restrict nuclear proliferation. Some time ago, a participant in the arms-control debate coined the terms "horizontal proliferation" and "vertical proliferation" to describe, respectively, the spread of nuclear weapons to non-nuclear states and the increase in size and capability of the nuclear arsenals of existing nuclear powers. Both are integral and inseparable aspects of the proliferation problem.

### Non-Proliferation Treaty

Let me take the former -- horizontal proliferation. The first step by which most of us hope that further horizontal proliferation can be prevented is through a non-proliferation treaty. The Canadian Government has never veered from the line that, while a treaty must, by its very nature, discriminate against the non-nuclear signatories, it is the only rational alternative to a process -- the continued spread of nuclear weapons -- which could lead to the ultimate catastrophe of nuclear war. At the same time, however, we have been urging the nuclear powers to understand and to appreciate the sensitivities and demands of the non-nuclear world. We believe, with many other non-nuclear countries, that the non-proliferation treaty should not be regarded as an end in itself but rather should be viewed as an important first step to more comprehensive measures of nuclear-arms control. If the treaty is to stand any chance of general acceptance, it must be seen to be but an initial step leading towards a more promising future. We also wish to ensure that it reflects a fair balance of obligations as between nuclear and non-nuclear signatories.

Occasionally we hear spokesmen for the great powers -- and the United States is not altogether exempt -- argue that, since the objective of a treaty is to prevent further proliferation, which is clearly in the general interest, then the main obligations must be borne solely by the non-nuclear signatories. As a non-nuclear country, we like to remind such spokesmen that, unless the nuclear powers are prepared to accept some real obligations apart from the hardly onerous undertaking to refrain from giving away nuclear weapons, a



treaty may not be negotiable with key non-nuclear states. They may well refuse to accede until they have what they consider to be an appropriate quid pro quo or reciprocal obligation from the nuclear powers.

What sort of obligation do they have in mind? One that has been mentioned is the extension of security guarantees to exposed and insecure non-nuclear signatories by the nuclear powers. Such guarantees obviously imply commitments and risks, involving perhaps embarrassing and troublesome entanglements in causes and purposes to which a guarantor might not be especially sympathetic. But is it not true that such commitments and risks are inseparable from status as a great power? Surely this is part of the price which the nuclear powers must pay if their monopoly of nuclear weapons is to be maintained. Canada has found it necessary to reiterate, both in public and in private, that the alternative may well be the diffusion of control over nuclear weapons and the emergence of an unstable situation with worse consequences than would be entailed in the provision of acceptable guarantees.

Another obligation we should like to see is the acceptance of safeguards on nuclear fuel for peaceful purposes by the nuclear as well as non-nuclear signatories. It is logical enough for the nuclear powers to argue that, since the purpose of safeguards in a non-proliferation treaty is to prevent the clandestine production of nuclear weapons by non-nuclear signatories, safeguards need apply only to the latter. But, if it is correct, as the nuclear powers insist, that safeguards would in no way inhibit the peaceful nuclear activities or expose them to commercial espionage, why then do they reject such safeguards for themselves? An ardent supporter of the IAEA and its safeguards system, Canada has been advocating a non-discriminatory safeguards article in a treaty. I must also express my satisfaction at indications that at least some of the nuclear powers have become more receptive to the idea of accepting international safeguards on their own peaceful nuclear programmes.

A further obligation we are urging the nuclear powers to accept in conjunction with a non-proliferation treaty is a precise commitment to offer a nuclear explosive service for legitimate peaceful purposes to the non-nuclear states, which, as you know, will be asked to give up their right to conduct their own "peaceful" nuclear explosions. There is, understandably, some reluctance on the part of the nuclear powers to acknowledge more than the principle. They say it is impossible to lay down the detailed procedures before such a service becomes technically feasible, but this is small consolation to those non-nuclear states which genuinely feel that their right to the full and unfettered use of nuclear energy for peaceful purposes is being unfairly restricted. We think the nuclear powers should go much farther than mere acceptance of the principle; they should demonstrate their intentions in this respect by undertaking a commitment elaborated in reasonable detail, even at the cost of future ability to dictate the precise terms under which the service will be offered. And I think such a commitment should specifically include a supervisory role for an international agency such as the IAEA or some similar body.

The discussion of peaceful nuclear explosions brings me now to the problem of "vertical proliferation". Non-nuclear states are almost unanimous in their demand that the nuclear powers should, in return for the renunciation



of the nuclear option by non-nuclear states, give a firm undertaking to embark upon specific measures of nuclear-arms control -- such as an agreement to reduce or at least to freeze their holdings of offensive and defensive nuclear weapons and delivery vehicles, a comprehensive test ban, and a cessation of the production of nuclear weapons. I am not suggesting that the nuclear powers consider measures which will, in the last analysis, disturb or upset the stability resulting from the present nuclear stalemate, but I am suggesting that, in the interests of maintaining that stability, they should be prepared to accept some reduction in strategic offensive forces. I should further suggest that United States-Soviet disagreement on what would be a reasonable and fair concession, carried to the point of frustrating the negotiation and general acceptance of a non-proliferation treaty, might, like some of the other issues I have already mentioned, do greater long-term harm to their own and everyone's security through the loss of the present opportunity to take the first and essential concrete step towards nuclear-arms control.

We are all aware of the "Plowshare" programme in the United States. We should probably not all agree -- in fact, I understand even the sponsors of the programme do not all agree -- on the economic benefits that "Plowshare" may yield in future. Indeed, while recognizing the possible future benefits of this programme, some of us are concerned about its effects on current attempts to curb nuclear proliferation. There is, I should suggest, evidence to support the view that the Plowshare programme tends to encourage non-nuclear states to want to develop this capability for themselves. There is increasing evidence to suggest that countries with a real nuclear potential will not easily accept the argument -- with which we in Canada agree -- that because nuclear bombs and peaceful nuclear explosions are indistinguishable, the present non-nuclear countries should surrender in perpetuity their access to a technology which holds promise of significant future benefit. What is the answer? We should suggest that the United States might be frank and specific about the undertakings they have already expressed in general terms by agreeing to a suitable article in the non-proliferation treaty. Moreover, the time may have come when the nuclear powers might consider whether an increasing role in the direction and management of the Plowshare programme might not be vested in the IAEA or some similar international body. Of course, this would be on the condition that the nuclear powers retain full control of the explosive technology involved.

On each of these points I have mentioned on the relation between horizontal and vertical proliferation and between obligations of the nuclear and non-nuclear signatories to a non-proliferation treaty, the Canadian position is not fully in accord with that of the United States. We feel that the United States and its nuclear colleagues should be prepared to go beyond the cautious commitments, hedged by an understandable concern for their own interests, which I might recall some non-nuclear states have labelled as the arrogance of power. As we are now witnessing around the world, great-power hegemony no longer works as it did in the nineteenth century; the current Middle Eastern crisis provides eloquent testimony to this. We do not maintain that such commitments need be part of a non-proliferation treaty. In fact, we are concerned lest the attachment of complicated conditions to a treaty make it impossible to negotiate at all. However, there is no reason why the nuclear powers could not undertake,

separate from but in association with a non-proliferation treaty, commitments which would make a real contribution to the prevention of further proliferation (horizontally and vertically) and to a consolidation of international stability.

Reference to "balance of obligations" and proliferation leads me to a separate but closely-related facet of the nuclear problem -- Ballistic Missile Defence. When the non-nuclear countries speak of mutual obligations, they are alluding to their insistence that the nuclear powers give evidence of a willingness to reduce their nuclear armouries -- or, at a minimum, agree not to enlarge them. The demand is that, if the nuclear-arms race cannot yet be reversed, it should at least be stopped. In this respect, deployment of Anti-Ballistic Missiles by the United States would be widely construed as a rejection of the expectations of many non-nuclear countries.

A year ago, at the first Scarborough conference on nuclear weapons, the Canadian Prime Minister discussed the ABM question and, without being categorical, cast doubt upon some of the arguments in favour of deploying this new weapons system. Since then, there have been significant developments in relation to this issue: there is substantial evidence of Soviet deployment of ABMs; there has been a widening of the public debate on ABMs in the U.S.A. and the West; there have been further advances in missile and related technology; tentative provision in the U.S. defence budget for some ABM production in the fiscal year 1967-68, and, possibly most important, we have witnessed an attempt by the United States to initiate a discussion of ABMs with the U.S.S.R. The Russians have suggested that the discussions should be broadened to include offensive and defensive strategic nuclear-weapons systems, and the United States has agreed to this. Thus the past year has provided us with considerable new information about the BMD issue. In these few minutes I want to set before you some tentative Canadian thoughts on this issue and to raise some questions.

First of all, it is probably quite clear from our deliberations here that we in Canada strongly support the United States initiative to interest the U.S.S.R. in discussing a moratorium on ABM deployment. We realize that the talks have scarcely begun and that the prospects for early agreement are not bright, but we think that the U.S.A. should continue to press the issue. We also appreciate that during this period of desultory and inconclusive diplomatic exchanges the U.S.S.R. has continued its deployment programme, but we do not believe that the U.S. deterrent, with its considerable superiority, is in immediate danger of losing its credibility. Finally, we realize that the Soviet Union has insisted that, in order to consider ABMs, the whole strategic balance must be taken into account; in our view, this demand need not be a negative consideration. In fact, we think that talks which encompass the whole strategic nuclear-weapons field might lead to the all-inclusive agreement for which the world has been waiting. Therefore we fully support the repeated refusal of the U.S. Administration to begin the deployment process until the possibilities of agreement with the Soviet Union have been exhausted.

But circumstances could change. Or, even in the existing situation, the U.S. Administration could begin to review its present stand against deployment. How would we in Canada view such a development? The question is hypothetical and as a politician I prefer not to hazard firm answers to hypothetical



questions. Still, in the context of our discussions here, in which ideas have been freely and personally exchanged among friends, I might venture some conditional answers to such questions. You will understand, I am sure, that my views are indicative only and certainly do not represent a final and firm official Canadian position.

There are two sides to the problem. The first can be considered primarily an American issue, with indirect implications for other countries. The second aspect concerns Canada and other countries more directly.

Taking the specifically U.S. aspects first, I should offer the following observations:

First, despite the undoubted technical improvements in ABMs in the recent past, the U.S. Administration has suggested quite convincingly that the so-called "cost-exchange ratio" between offensive and defensive weapons is unlikely to favour the defence, so that a considerably smaller amount of money spent on offensive weapons would offset any protection the U.S.S.R. might be thought to gain through deployment of a BMD system. Expressed in terms of anticipated casualties, a smaller expenditure on offensive weapons would return the level of casualties in a nuclear exchange to the figure expected before the defensive expenditure made by one side (the U.S.S.R.).

A second point concerns the extent of deployment. In this connection, we have heard a good deal about light and heavy defences, about postures A for 25 and B for 50 cities, about point-versus-area defences, and about defences against attacks from the U.S.S.R. or from China. While I agree that there are valid choices to be made between the various alternatives, I sometimes have the impression that the "light" posture for defence against China represents a compromise between no ABMs and a very costly "heavy" system. It is to be hoped that ABM deployment -- if there were to be one -- would be undertaken solely on the military and technical merits of the system, taking due account of the implication for other countries and for the international community as a whole, and would not be decided solely on the basis of some compromise between competing pressures within the United States.

Again, most supporters of ABMs seem to have conceded that deployment would not be effective in the sense of offering complete protection against the U.S.S.R. They believe, however, that the threat from Communist China could and should be countered. In answer to this assertion, I should argue that the Chinese missile threat is neither immediate nor assured. More important, however, lead times for deployment of ABMs are shorter than they would be for Chinese missile systems, so that a "wait-and-see" approach would scarcely endanger Western security.

Finally, even if the heaviest ABM system were deployed, assuming that the U.S.S.R. reacts, it appears doubtful that United States security would be greatly enhanced. This is a point which has been repeatedly made by President Johnson and Secretary McNamara, and I have heard little convincing argument to the contrary.



These have been some U.S. considerations, but they do not tell the whole story and I should like to go on to outline other issues which involve not only the U.S.A. but also Canada and the rest of the world. The first of these issues to be faced with ABM deployment would be the effect upon any movement toward détente between East and West. Although it has been argued that political developments are not dependent upon changes in nuclear-weapons systems, I should think that, in this case, the deployment of ABMs would signify, if not create, a less propitious environment for fruitful East-West contact.

Secondly, deployment would almost certainly interfere with developments in the arms-control field. In my view, this effect would be particularly evident if deployment were decided upon during the critical period of negotiation of the non-proliferation treaty. Countries which have been insisting on a "balance of obligations" between nuclear and non-nuclear powers would be disillusioned about the intention of the two super-powers seriously to take steps to hold the line on the acquisition of arms. In such circumstances, world-wide acceptance of a non-proliferation treaty would be seriously endangered.

To take another example: concern is felt in many quarters even now about the relation between continued underground nuclear testing and the desire to perfect ABM warheads. In the event of actual ABM deployment, I can visualize that a comprehensive test-ban would be even more difficult to achieve than it appears to be today. These are but two examples of several which could be cited in support of the idea that ABMs would be unhelpful in the movement toward arms control and disarmament.

Finally, there are two ways in which ABMs would be thought to have implications specifically for Canada. In the first place, we should have to assess how a new space-defence system would affect our own security. We share this continent with the U.S.A. and we could not ignore the fact that a substantial change was being introduced into the continental defence picture. Whether our response to deployment in the U.S.A. would be active or passive and, if the former, to what extent, is a problem which would have to be squarely faced. We could not afford -- and should not want -- to ignore such a development. The military and economic problems suggest that, for Canadians, ABM deployment would be an uninviting prospect, in national as well as international terms.

In conclusion, I should like to remind you of the theme of my remarks. It is that, though we adopt a similar broad fundamental approach to many international questions and to arms control and disarmament in particular, there are important differences of emphasis in this approach, as revealed in the way we look at the problem of nuclear proliferation. Being particularly close to the United States, we in Canada like to think we understand something of the point of view of the most powerful nation in the world. Being a non-nuclear middle power, we also like to think of ourselves as a representative of that large community of nations which are not normally privy to the councils of the great powers. As a friend and partner of the United States we do not hesitate to urge on it greater recognition of the view of the non-nuclear states and to make certain important concessions to their position, even if it means some

sacrifice of national prerogatives. Specifically, we should urge the United States to consider:

- (1) The extension of credible security guarantees to non-nuclear states lying outside the umbrella of nuclear alliances;
- (2) the acceptance of international safeguards on its own peaceful nuclear activities;
- (3) the extension of peaceful nuclear-explosive services, genuinely under the supervision of some international agency;
- (4) the undertaking of specific commitments to nuclear-arms control;
- (5) continued efforts to reach agreement on ways of limiting and controlling strategic offensive and defensive nuclear-weapons systems.

The United States, in our experience, places great stock in the views and concerns of the smaller nations and is often among the first of the great powers to respond in a positive way to their legitimate demands. In the present circumstances, I believe it can set a compelling example to its colleagues in the "nuclear club".

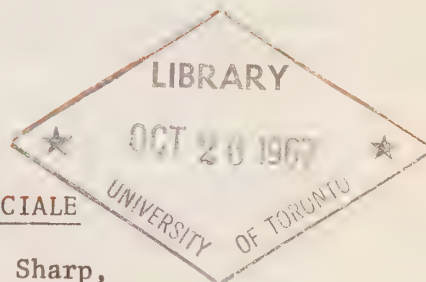
For its part, Canada will waste no time or effort in urging its fellow non-nuclear states, some of which may be reluctant to make sacrifices in terms of their own options, influence and prestige, to take the difficult decisions which are the essential first step to the realization of an effective non-proliferation treaty.

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CANADA

## DÉCLARATIONS ET DISCOURS

DIVISION DE L'INFORMATION  
MINISTÈRE DES AFFAIRES EXTÉRIEURES  
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N° 67/23

LES PERSPECTIVES D'UNE POLITIQUE COMMERCIALE

Texte d'une allocution de l'hon. Mitchell Sharp, ministre des Finances, prononcée à Toronto le 29 mai 1967 à l'hôtel Royal York, à la réunion annuelle de l'association des manufacturiers canadiens.

Peut-être vous étonnez-vous que le ministre des Finances du Canada choisisse de parler de politique commerciale à cette association de manufacturiers. J'ai choisi ce sujet pour diverses raisons. Tout d'abord, au Canada, comme dans un grand nombre d'autres pays, le ministre des Finances est celui de qui dépend en tout premier lieu la politique économique. Chez nous, tout simplement parce que nous sommes une nation de commerçants, la politique commerciale constitue nécessairement un élément important de la politique économique nationale. Le ministre des Finances qui ne tiendrait pas compte de cette réalité ne ferait pas vieux os. En second lieu, comme vous ne l'ignorez pas pour la plupart, l'instrument le plus puissant dont dispose le gouvernement dans le domaine de la politique commerciale, est le tarif douanier. Or, depuis la Confédération, qui avait pour fondement, du point de vue fiscal, le tarif d'Alexander Galt, c'est au ministre des Finances qu'incombe la tâche d'établir les taux du tarif. J'en suis donc venu à la conclusion que vous trouverez peut-être utile que je vous dise un peu comment je me suis acquitté de cette tâche au cours des importantes négociations qui se sont terminées à Genève il y a deux semaines, et comment je vois cette fonction remplie dans l'avenir, au-delà du "Kennedy Round".

A la vérité aucun ministre n'est tenu de s'excuser pour parler de politique commerciale devant l'Association des manufacturiers canadiens. Aucune association n'a plus d'intérêt que la vôtre dans le commerce du Canada, elle qui compte parmi ses membres quelques-uns de nos plus gros importateurs, et c'est à vous, en qualité de manufacturiers, qu'incombe la tâche d'étendre nos exportations de produits manufacturiers à la faveur des réductions tarifaires du "Kennedy Round", dans les pays avec lesquels nous commerçons, lorsque nous ferons notre entrée dans le monde commercial de 1970.

Je veux donc vous entretenir du "Kennedy Round" et du rôle que le Canada a joué, pour esquisser ensuite les problèmes qui se poseront après le "Kennedy Round" et les solutions que nous pourrions leur apporter.

Voici d'abord notre rôle dans le "Kennedy Round".



Il y a trois ans, lorsque ces négociations ont débuté officiellement, notre gouvernement a formulé une ligne de conduite bien définie. Cette politique a été énoncée, dans sa forme la plus définitive, au cours de l'exposé budgétaire de 1964. L'hon. Walter Gordon à cette occasion s'est exprimé dans les termes suivants, et on me permettra cette longue citation:

"...On prévoit que (les négociations Kennedy) sur le commerce seront aussi importantes que les autres négociations commerciales tenues sous les auspices du GATT depuis la fin de la guerre. ...

"Évidemment, le Canada ne négociera pas en fonction de réductions tarifaires linéaires. Nos associés commerciaux ont admis qu'un tel régime ne conviendra pas à un pays comme le Canada. Nous viserons plutôt à un échange de concessions de valeur comparable. Voici quels devraient être, à mon sens, les principes directeurs de notre participation.

"Premièrement, le principe de la réciprocité. Entre les concessions accordées et les concessions obtenues, il doit y avoir un équilibre raisonnable déterminé en fonction des conséquences pratiques sur les échanges. En outre, il faut tenir compte de la mesure des redressements et des délais exigés pour adopter les réductions tarifaires en fonction des modifications touchant les ressources et la main-d'oeuvre.

"Une deuxième considération-clé est que le résultat de ces négociations doit contribuer à la croissance équilibrée de l'économie canadienne. Nous chercherons sûrement à élargir les débouchés pour nos exportations traditionnelles de matières premières et de denrées alimentaires. Toutefois les négociations porteront surtout sur les produits manufacturés et nous ne devons jamais oublier que l'expansion d'industries secondaires efficaces s'impose pour assurer des occasions d'emploi suffisantes à la force ouvrière croissante du Canada. C'est pourquoi nous chercherons à obtenir à l'étranger des réductions tarifaires spéciales qui ouvriront de nouveaux marchés d'exportation aux produits de nos industries secondaires. Cela leur permettra de réaliser de meilleures économies de progression, qui sont si importantes dans la réduction des prix de revient.

"Troisième considération d'importance: il doit y avoir un équilibre raisonnable entre les concessions consenties et celles qui sont obtenues pour les divers secteurs et les différentes régions de l'économie canadienne. Chacun des principaux secteurs de production devrait retirer des négociations certains avantages et faire son apport au succès de celles-ci. En général, il devrait en être de même des diverses régions.

"Une quatrième considération a trait à l'éclat de notre balance des paiements. Pour être fructueuses, les négociations tarifaires devraient aider tous les pays participants à devenir plus efficaces et plus productifs mais il est bien évident qu'elles ne sauraient les aider à améliorer leur balance des paiements. Dans notre situation, marquée par des déficits élevés et répétés du compte courant, nous devons veiller tout particulièrement à ce que les négociations tarifaires n'aggravent pas le problème de notre balance des paiements.

"Guidé par ces considérations, le Canada va jouer un rôle important dans les négociations Kennedy."

C'est exactement ainsi que nous avons négocié au "Kennedy Round" des accords pour le compte du Canada. Quant à nous, ces négociations commerciales et tarifaires comportaient trois phases:

La première était l'accord sur le blé. Avec les autres exportateurs de blé, voire même avec certains pays importateurs, nous espérions que cet accord serait beaucoup plus étendu que l'actuel accord international sur le blé. Nous espérions inclure dans un seul accord un ensemble d'engagements renouvelés et améliorés des pays importateurs au sujet de l'accès aux débouchés, c'est-à-dire au sujet des tarifs et des impôts prélevés à l'importation. Certains de nous espéraient aussi inclure des engagements relatifs au niveau de production et aux programmes. D'autres espéraient comprendre dans l'accord non seulement des engagements au sujet du blé, mais aussi au sujet des céréales secondaires. Et nous espérions tous ajouter une disposition judicieuse relative à l'aide alimentaire, afin d'apporter un peu d'ordre dans ce secteur d'une importance vitale et de partager l'obligation de nourrir ceux qui ont faim, d'une façon ordonnée et équitable. Sur ce dernier point, sinon sur tous les autres, nos espoirs n'ont pas été vains. Pour la première fois, tous les pays industrialisés ont reconnu sur le plan international que l'aide alimentaire n'incombe pas uniquement aux pays exportateurs de blé. L'accord du "Kennedy Round" sur les prix du blé ne constitue pas pour les nations commerciales du monde libre un mince succès. Il assure à nos producteurs tout comme à nos clients, cette indispensable garantie de stabilité dans le commerce du blé, tout en l'améliorant.

Un second facteur du "Kennedy Round" est le projet de code destiné à réglementer l'application des droits anti-dumping. Comme je l'ai prédit il y a quelques mois, nous avons pris une part active à la négociation de ce code, et nous avons profité des conseils d'ordre technique que nous y ont dispensés plusieurs d'entre vous, qui, à titre particulier, n'ont ménagé ni leurs connaissances ni leur expérience pour nous aider à résoudre ce problème compliqué.

Ce code ne sera pas publié avant la fin de juin. Ainsi donc, il vous faudra attendre jusque-là pour en connaître les détails mais je puis vous assurer qu'il répond aux deux conditions que j'ai posées quand j'ai autorisé la participation du Canada à cette négociation. Il comporte, d'abord, l'assurance que nos exportations ne seront pas exposées à l'usage arbitraire des droits anti-dumping par les autres pays ou à des menaces proférées à la légère. Il prévoit, en second lieu, que le Canada, comme les autres pays, aura le droit d'imposer des droits anti-dumping de façon rapide et énergique lorsque le dumping menacera de nuire à ses producteurs.

D'ici la fin du mois, vous devrez me croire sur parole. Toutefois, et je tiens à ce que cela soit bien clair, nous attendons les idées et les avis de tous ceux que la chose intéresse sur la façon de donner suite au code dans notre législation, et, je vous l'assure, nous avons besoin de vos idées et de vos avis. Nous avons jusqu'au 1er juillet 1968 pour donner suite au code dans nos lois et nos méthodes.

Je propose donc que ceux d'entre vous dont les intérêts sont en jeu prennent le temps nécessaire, lorsque le code sera publié, pour l'étudier avec soin et nous communiquer ensuite vos points de vue. Nous formerons, à Ottawa, un comité de fonctionnaires dont les membres viendront des ministères intéressés



et qui aura pour mission de recevoir les avis et les conseils des hommes d'affaires sur la façon de traduire les dispositions générales du code en dispositions législatives précises. J'imagine que vous aurez eu le temps d'ici la mi-septembre ou début d'octobre de formuler vos points de vue; nous réunirons alors un groupe de fonctionnaires d'expérience qui sera chargé de vous rencontrer.

Passons maintenant aux concessions tarifaires réciproques, le troisième, et, naturellement, le plus important des éléments du "Kennedy Round". Il ne conviendrait pas que j'entre dans les détails si ce n'est pour dire que selon moi, conformément à la ligne de conduite énoncée en 1964 par M. Gordon, nous avons négocié un ensemble de concessions tarifaires réciproques inspirées du principe d'une parfaite réciprocité des concessions en ce qui concerne le tarif canadien et de la nécessité d'un équilibre dans le cas des principaux secteurs de notre économie et des principales régions de notre pays. Nous avons obtenu des réductions tarifaires des États-Unis virtuellement à l'égard de tout l'éventail des exportations canadiennes assujetties aux droits douaniers, et nous avons obtenu d'importantes concessions tarifaires de la part de la C.E.E. et du Japon. Au nom du Canada, nous avons promis d'apporter d'importantes réductions à la protection tarifaire et nous avons profité de l'occasion pour améliorer et rationaliser notre structure tarifaire. Un grand nombre d'entre vous constateront que votre protection tarifaire a été réduite; ils constateront aussi que les prix de revient de vos matières premières et des pièces ont été réduits en même temps. Je n'ignore pas, pour sûr, qu'il y aura de l'opposition de la part de ceux qui comptent uniquement sur le marché domestique, et qui préféreraient vivre dans un monde mieux protégé. Mais je m'attends aussi que, lors de la publication des concessions tarifaires réciproques, à la fin de juin, dans toutes les régions du pays, producteurs et consommateurs ne seront pas lents à reconnaître que le "Kennedy Round" a été pour le Canada la négociation tarifaire non seulement la plus importante de son histoire mais encore la plus profitable, et dont notre pays ne manquera certainement pas de tirer avantage.

Des sceptiques ont demandé comment il se fait que tous les participants peuvent proclamer qu'à leur point de vue particulier le "Kennedy Round" a été un succès. La réponse, évidemment, est que la réduction mutuelle des barrières commerciales comporte des avantages réciproques et que l'on reconnaît la vérité de cet axiome dans notre pays comme on la reconnaît ailleurs dans les sociétés industrielles du monde moderne.

Il me semble que la vieille querelle du libre échange et de la protection, qui a été l'objet de tant de controverses dans la politique canadienne, n'est plus un enjeu véritable. Aucun de ceux dont le champ de vision dépasse son propre lopin de terre, ou, devrais-je dire, sa petite paroisse, ne prétend plus que la protection est le moyen le plus facile d'en arriver à la prospérité. L'industrie secondaire ne se borne plus à répondre aux besoins du marché canadien; vous vous rendez compte de plus en plus que le Canada a besoin de débouchés situés au-delà de ses frontières et d'une spécialisation plus poussée de sa production.

Ce qui avait coutume d'être un argument dans la querelle entre libre-échangistes et protectionnistes, est devenu un argument au sujet du meilleur moyen d'atteindre un objectif que les Canadiens acceptent en général, soit d'assurer plus de liberté au commerce, d'élargir nos débouchés et de rendre



plus rationnelle notre structure industrielle. Nous savons que nous devons augmenter nos échanges commerciaux avec le reste du monde, et que nous devons à cette fin produire en plus grande abondance des marchandises de haute qualité. Nous savons tous que notre complexe industriel doit être rendu plus moderne et plus rationnel, afin que nous puissions nous spécialiser dans les marchandises que nous sommes, ici au Canada, les plus aptes à produire.

Si nous considérons les tendances qu'a suivies depuis la Seconde guerre mondiale le commerce international, il est clair que le commerce des produits manufacturés a augmenté beaucoup plus rapidement que celui des denrées primaires. Le dire n'est pas minimiser l'importance de maintenir l'expansion des exportations de nos grandes industries forestières, minières et alimentaires. Ces produits feront l'objet d'une demande croissante, mais il est devenu évident pour nous tous que nous devons rendre l'économie canadienne plus apte à fournir d'autres genres de marchandises à l'égard desquelles la demande mondiale croît beaucoup plus rapidement.

Quand nous considérons nos perspectives, et la politique commerciale que nous prévoyons devoir suivre dans l'avenir, il est important de reconnaître que dans les grandes entités économiques modernes, telles que les États-Unis et la C.E.E., le tarif, après le "Kennedy Round", jouera un rôle relativement peu important dans l'orientation de l'économie ou dans la solution des véritables problèmes commerciaux. Dans ces grandes économies adultes, le tarif devient davantage un moyen d'imposition plutôt qu'un moyen de protection et les véritables problèmes commerciaux, soit les problèmes du commerce des produits agricoles, du commerce entre l'Orient et l'Occident, les problèmes des importations de produits "à bas prix de revient" et le commerce avec le monde en voie de développement, se résolvent par d'autres moyens.

Mais dans les économies de moindre importance bien que fortement industrialisées, comme sont le Canada et l'Australie, le tarif continuera de produire un effet plus décisif sur la structure de l'industrie et sur la répartition des ressources. C'est là essentiellement la raison pour laquelle quand nous avons formulé notre attitude à l'égard des négociations tarifaires, nous avons toujours évité les formules trop simples. L'attitude que nous avons adoptée à l'égard du "Kennedy Round" a été plus nuancée que celles des États-Unis, de la C.E.E. et de la Grande-Bretagne, et j'espère que nous continuerons de favoriser une attitude plus nuancée à l'égard des futures réductions tarifaires.

J'entends par là que nous devons nécessairement concentrer nos négociations autour des produits à l'égard desquels une importante mise au point tarifaire sur les marchés étrangers nous permettra de sortir des cadres étroits de notre marché domestique et d'effectuer des ventes au même palier continental ou mondial que les industries des États-Unis, de la Communauté européenne et du Japon.

Permettez-moi de vous donner un exemple. Les produits forestiers, c'est-à-dire le bois et ses produits, la pâte de bois et le papier, constituent un large facteur de production qui ouvre des horizons nouveaux évidents à une meilleure répartition internationale du travail et à une exportation accrue des produits canadiens, non moins qu'à une organisation rationnelle de notre production nationale. Il importe de souligner que l'augmentation des débouchés commerciaux pour nos produits se trouvera en Europe et au Japon.

Autre exemple: A mon avis, toutes les économies industrialisées se montreraient bien avisées si elles faisaient en sorte de faciliter le libre acheminement des matières premières, y compris une grande variété de produits chimiques, le nickel, l'aluminium, le plomb et le zinc. A cela se rattache la nécessité d'abaisser les barrières tarifaires imposées au commerce des produits secondaires dérivés de ces métaux de base. J'aimerais voir le monde libre tout entier encourager des échanges commerciaux plus généreux en ce qui concerne ces produits, tant primaires que secondaires, et un effort concerté devrait avoir lieu en ce sens. Tous, nous pourrions en bénéficier.

Que signifie tout ceci par rapport à la politique commerciale de l'avenir? En premier lieu, il faut en conclure que les Canadiens auraient avantage à procéder, comme je l'ai dit, non pas en suivant des formules toutes faites - et j'inclus parmi ces dernières les projets de réduction des pourcentages tarifaires et un libre-échange intégral entre divers groupes de pays - mais plutôt en ayant recours à la sélection, en cherchant à réaliser de fortes réductions tarifaires ou le libre-échange dans les secteurs de la production où tout changement tarifaire donne naissance à de nouveaux débouchés commerciaux. Cette façon d'aborder la question a été désignée sous le nom de "mode d'approche par secteur". L'expression est juste mais un peu dépourvue d'attrait. En second lieu, elle me laisse entendre que nous devrions diriger nos efforts vers les marchés mondiaux, celui des États-Unis assurément, puisqu'il est notre principal débouché, mais aussi ceux de l'Europe et de l'Asie qui sont appelés à grandir prodigieusement au cours des décennies à venir. Cela veut dire aussi qu'à mesure que baisseront les tarifs nous devons commencer à examiner de plus près les autres expédients qui nuisent au commerce ou qui le détournent de son orientation. Des exemples vous viendront immédiatement à l'esprit. Quant à moi je pense, entre autres, aux directives cachées ou obscures concernant des achats faits par les gouvernements et qui semblent réussir complètement à bloquer la vente de nos produits ouverts aux agences gouvernementales ou para-gouvernementales en Europe et ailleurs. C'est dans ce champ de la politique commerciale que les États-Unis et le Canada ont à essuyer des critiques et ces critiques, la chose n'est pas étonnante, émanent de ceux qui appuient des politiques hautement restrictives par leurs instructions et leurs directives officielles; la source en est difficile à découvrir mais leur mise en pratique donne des résultats manifestes.

Je songe également aux pressions qui s'exercent dans divers pays au moyen de divers procédés juridiques, de lois visant l'admission d'entreprises étrangères, de mesures fiscales et de contrôles des changes qui restreignent le droit des entreprises étrangères de faire des placements dans d'autres pays. Ce sont là des entraves imposées au commerce car, particulièrement dans le cas des produits ouverts de haute qualité, les investissements ouvrent la voie au commerce. Je crois aussi que, puisque les pays industrialisés ont sensiblement réduit les barrières tarifaires qui les séparaient, nous verrons surgir bien des problèmes qui découleront de divergences dans les politiques tarifaires et l'on insistera davantage pour réussir à créer de l'harmonie entre les régimes fiscaux.

Vous demandez, et avec raison, quelle sorte de calendrier prévoit-on pour ce programme? Il est évident que nous n'allons pas aborder notre politique "post-Kennedy" le 1er juillet prochain. Tous les gouvernements qui ont négocié ces nouveaux accords ont maintenant la tâche de les mettre en oeuvre et ils devront y mettre le temps nécessaire.



Pour le moment, nous devons aussi attendre et constater quels changements vont se produire dans la situation européenne. Le premier ministre Wilson a défini clairement la situation qu'il espère voir apparaître. Nous ne savons pas encore très bien quelle sera la réaction du groupe des négociateurs de la C.E.E. Quant à moi, je ne veux pas participer au petit jeu qui consiste à essayer d'interpréter la conférence de presse du président de la République française. Mais il est évident que le dénouement revêt de l'importance, non seulement pour l'Europe mais aussi pour l'Amérique du Nord. Si la Grande-Bretagne devient effectivement membre du Marché commun, nous risquons de perdre notre statut de nation privilégiée sur le marché du Royaume-Uni et, dans le cas de plusieurs de nos produits, nous ferons face à des préférences tarifaires dirigées contre nos marchandises. Il n'en reste pas moins vrai que nous bénéficierons d'une vigueur économique accrue de la Grande-Bretagne en Europe, comme d'ailleurs d'un essor européen en général.

En ce qui concerne la teneur de notre politique, il nous faudra songer à protéger nos intérêts essentiels sur le marché du Royaume-Uni, dans la mesure du possible, et nous aurons peut-être aussi à nous demander ce qu'il adviendra des tarifs de faveur que nous accordons à la marchandise du Royaume-Uni sur notre propre marché. Les taux tarifaires de préférence n'auront plus la nature d'un engagement si la Grande-Bretagne devient membre de la C.E.E. et, dans ce cas, une révision de nos listes de taux tarifaires, qui entraînera sans doute des négociations avec nos associés commerciaux, deviendra possible sinon nécessaire.

Tout ce que j'ai dit jusqu'ici se rapporte fondamentalement à la façon dont j'envisage les questions de politique commerciale, prises en fonctions de nos propres et indéniables intérêts commerciaux. Comme je l'ai expliqué clairement, ceci veut dire que nous devons trouver le moyen d'améliorer considérablement nos perspectives de vente sur les marchés des autres pays industrialisés situés autour de l'Atlantique-Nord et de la région nord du Pacifique. Je manquerais cependant à mon devoir de Canadien si je n'admettais que l'une des questions les plus difficiles et peut-être l'une des plus insolubles, en rapport avec la politique commerciale de la prochaine décennie, consiste à définir la façon dont nous, qui sommes des peuples industrialisés, pourrions aider les nations en voie de développement à augmenter leurs gains commerciaux. Ces nations devront commercer davantage avec nous car, tout comme nous, elles ne tiennent pas à vivre uniquement d'aide extérieure.

L'élimination virtuelle du régime de gouvernement colonial et l'apparition de plusieurs nouvelles nations dans les régions sous-développées du monde soulèvent des problèmes quant à la manière dont nous pourrions maintenir le genre de commerce multilatéral et non discriminatoire symbolisé par le GATT et couronné de succès grâce au "Kennedy Round". A la conférence des Nations Unies sur le commerce et le développement, toutes ces nouvelles entités économiques insistent pour obtenir des faveurs tarifaires particulières sur nos marchés. Elles croient que ces nouveaux tarifs de faveur leur permettront de vendre leurs produits ouverts en plus grand nombre, avec en conséquence des recettes plus élevées. Elles réclament aussi des accords internationaux qui augmenteront et stabiliseront les revenus qu'elles retirent de leurs produits primaires.

Je dois avouer qu'à la lumière de notre propre évolution il semble douteux que de nouveaux taux tarifaires de faveur aident beaucoup à l'expansion



des pays en voie de croissance. Et je suis sûr que si toutes les nations industrialisées, agissant de concert, renonçaient à leur protection tarifaire dans le cas de la marchandise provenant des pays en voie de développement, nos manufacturiers n'auraient guère de difficulté à s'adapter au changement. La grande difficulté pour la plupart de ces pays vient du fait que leurs industries, en général, ne sont pas assez bien organisées pour trouver de véritables débouchés parmi nos économies si hautement concurrentielles.

Je ne me sens pas attiré vers les projets qu'on ébauche de temps à autre en Europe en faveur de préférences tarifaires qui seraient accordées aux nations en voie de développement, préférences limitées et restreintes par des contingents d'importation et par des régimes de permis que négocieraient certaines puissances métropolitaines avec ces pays grandissants qu'ils considèrent assujettis à leurs "sphères d'influence", pour employer un terme politique, alors qu'il s'agit essentiellement ici d'une question commerciale et non politique. Si nous, qui comptons au nombre des pays industrialisés, devons donner des préférences tarifaires à un monde en pleine expansion, je ne vois pas quel mérite il y aurait à poser toutes sortes de conditions avant de les accorder. Il en résulterait probablement une suite d'arrangements de faveur de plus en plus archaïques entre les puissances métropolitaines et leurs anciens territoires coloniaux. C'est donc avec grand intérêt que j'ai entendu le président Johnson annoncer à la réunion de Punta del Este que les États-Unis sont maintenant prêts à collaborer avec les autres pays industrialisés pour chercher à dresser un régime de préférence tarifaire auquel souscriront tous les pays industrialisés et dont bénéficieront tous les pays en voie de développement.

J'en conclus que les États-Unis se sont prononcés contre un accord tarifaire de faveur entre l'Amérique latine et leur propre pays et qu'ils se joignent maintenant à la Grande-Bretagne pour faire opposition à la création de régimes de préférence tarifaire plus étroits et uniquement bilatéraux par les grandes puissances métropolitaines. Si nous devons avoir des tarifs de préférence qui avantageront les pays en voie de développement, il est évident que le seul moyen intelligent de procéder est de faire reposer ces tarifs sur une base multilatérale. Je suis enclin à prédire qu'au Canada, d'ici quelques années, sinon plus tôt, nous devons prévoir en détail comment ce nouveau régime de préférence tarifaire favorable aux pays en question pourra être enté sur notre tarif douanier. Je peux prédire également qu'en nous occupant davantage de la grande question d'aider les pays en voie de développement à devenir solvables, il faudra faire beaucoup plus d'efforts afin de concevoir des accords relatifs au commerce des denrées de base. Je suis convaincu que des accords tendant à stabiliser les prix du sucre et du cacao feront beaucoup plus - purement du point de vue financier - pour venir en aide à un monde sous-développé que n'importe quel régime de préférence tarifaire.

J'ai mentionné tantôt le problème du commerce entre l'Orient et les pays occidentaux. Ce problème va continuer à tenir un rôle important dans la politique commerciale. En tant que Canadiens, nous avons acquis une certaine connaissance de ce commerce Est-Ouest, dont l'importance grandit d'année en année. La Chine territoriale, l'URSS, et les pays de l'Europe de l'Est dont les gouvernements font le commerce d'État à État jouent un rôle de plus en plus significatif au sein du commerce mondial. Ce sont là certes des clients qui comptent pour le Canada.

Je sais pertinemment que les marchés des pays dont les gouvernements commercent indépendamment ne sont pas faciles à cultiver. Leur inclination à acheter est souvent restreinte du fait que leurs gouvernements se préoccupent de réaliser des équilibres bilatéraux avec leurs associés commerciaux des pays de l'Ouest et aussi à cause d'une pénurie de change étranger.

Naturellement, l'obtention d'accords commerciaux avec ces pays offre des problèmes qui diffèrent passablement de ceux afférents à la politique des échanges commerciaux avec les pays à marché libre, où nous obtenons pour nos produits d'exportation canadiens le droit de faire une concurrence sans limite à la production domestique dès que la question du tarif est réglée. Il est cependant devenu évident que dans certains pays dont les gouvernements font commerce d'État à État on commence à pencher davantage vers un régime marchand et, en conséquence, les obstacles que l'on a rencontrés auparavant en essayant d'établir des accords commerciaux entre les pays à gouvernement commerçant et ceux qui ont une économie basée sur un régime marchand vont peut-être s'aplanir.

Je prédis toutefois qu'en ce qui concerne les accords du Canada avec ces pays il est tout probable que les antécédents des dix dernières années vont servir de modèle aux dix années à venir. Ceci signifie qu'avec certains de ces pays, nous aurons des accords commerciaux où nous devons accorder le tarif de la nation la plus favorisée pendant une certaine période de temps, alors qu'ils s'engageront à acheter une quantité minimum de marchandises canadiennes. Dans d'autres cas, on aura probablement de nouveaux contrats stipulant des achats de blé et peut-être d'autres produits canadiens, ce qui signifie que nous serons obligés pour notre part de créer et de fournir des garanties de crédit. Il est probable que, faisant partie de notre politique commerciale, cet aspect de nos relations de commerce va devenir plus complexe et que tous ceux qui s'occupent de ce genre de négociations à Ottawa devront leur consacrer beaucoup plus de temps.

En général, je crois que j'ai énoncé tout ce qui valait la peine d'être rappelé au sujet de la politique commerciale à la suite du "Kennedy Round". Après tout, nous en sommes encore au stade initial de la préparation des critères qui serviront à élaborer la politique à venir. Vous jugerez peut-être que je vous ai donné aujourd'hui plus qu'une liste de problèmes à résoudre et une suite de perspectives à envisager.

Bien entendu, cette liste de problèmes et ces perspectives nous obligent à faire des suppositions. Elle présume, par exemple, que le Canada et les autres grands pays industrialisés, plus spécialement les États-Unis, continueront à concevoir et à appliquer avec succès des politiques qui assureront la stabilité économique. Elle présume que nous allons continuer à diriger le cycle des affaires. Elle suppose aussi que nous en arriverons à des ententes internationales qui résoudront les questions monétaires et que nous mettrons en marche un mécanisme commun qui donnera plus de liquidité au régime des paiements lorsque le besoin s'en imposera. Quant à nous-mêmes, on présume que les Canadiens réussiront à conserver leur rôle concurrentiel dans un monde où la concurrence augmente chaque jour. Il va sans dire qu'il nous faudra accorder beaucoup plus d'attention aux mesures destinées à augmenter la productivité, en nous assurant que les frais courus au Canada ne dépassent pas ceux que nous devons acquitter sur nos marchés d'exportation éventuels.







# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/25

## CANADA'S CENTENNIAL AND NATIONAL UNITY

Remarks by the Secretary of State for External Affairs,  
the Honourable Paul Martin, at the opening of the Jay  
Centennial celebrations, Hamilton, August 13, 1967.

I was delighted to be invited to take part in the "Hamilton Happening" today and to represent the Government of Canada in cutting the ribbon officially opening the Jay Centennial celebrations....

Today is a day for fun.. At the same time I think that we should consider some of the more serious reasons why we are celebrating our country's birthday.

One is that we all like a success story - and Canada is just that. Our country was created consciously in defiance of geographic and economic pulls to the south. It was created from many disparate elements. But the obstacles were overcome and for 100 years we have been developing a remarkable web of relations, institutions and understandings bringing together different peoples, regions and provinces. We can be proud of our efforts.

But if we have achieved much, there are many urgent tasks that remain. The most important, in my view, is the achievement of further progress towards national unity.

Some people argue that we shall only achieve unity in this country if we are not self-conscious about it - if we let the problems work themselves out; in short, they say that no special effort is required. I do not agree. Such an approach may have been soothing to some Canadians in the past, but the measure of its inadequacy is that the great majority of Canadians believe that national unity is not something that can be swept under a rug, even one 4,000 miles long!

Canadians across the nation are beginning to realize that this question is central to our future, and they are prepared to do something about it. A few years ago, there was little understanding of the aspirations of other areas of the country. When disagreements were not simply ignored, they were subjected to vitriolic verbal treatment. I believe that today, despite the evident differences between elements in Canada, we have found a new maturity in dealing with our national life.

Besides a wonderful opportunity for a party, centennial year seems to have spurred us to greater efforts in examining our national life and finding ways of settling our differences.

In mid-1967, I think that Canadians recognize as, the Prime Minister said recently that:

"there were ... two founding races and languages and cultures in Canada - the British and the French - and with that foundation our country can only survive, let alone develop, on the full acceptance by the English-speaking majority of the French-speaking minority as a special linguistic, racial and cultural element in this state, Canada. Where the 'Franch fact' has full scope for its development and expansion .., it does not need any separate political entity to enshrine its cultural and linguistic identity."

We should also recognize that, with the preservation of this identity, French-Canadians are prepared to work on a basis of complete equality with all Canadians toward national objectives.

Yet a total preoccupation with the differences between English- and French-speaking Canadians would not reflect an accurate image of our country or of current issues. More than a quarter of our people descended from or came from neither the British Isles nor France. Canadians with different backgrounds from those of the two founding races have a significant contribution to make to our national life as individuals and as groups and their presence is bound to exercise an increasingly important influence on Canada's development.

The problem of unity in Canada existed in 1867; it is with us today; and I expect that it will still be with our descendants a 100 years from now. But despite the problem Canada became a reality in 1867; it is a strong and dynamic country today; and I have confidence that Canada will be even stronger in its second centennial a 100 years hence. Canadians - of different origins and outlooks - are determined to make it so.

In all our provinces and among all our groups we are prepared to make sacrifices for our country - in our own way.

Our progress in the past was attributable to Canadian endeavour and imagination. Our progress in the future will also depend entirely on Canadians.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/27

## CONTRIBUTIONS TO INTERNATIONAL PEACE AND DEVELOPMENT

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, at the International Day Luncheon of the Directors of the Canadian National Exhibition, Toronto, August 26, 1967.

...We are all aware of the rapid growth of interest in and concern for foreign affairs which has been taking place in Canada. The Government welcomes this public interest and we think that it deserves a continuing exposition of Government policy. Today, I should like to speak to you about some of the major areas of Canadian foreign policy and the ways in which we have been striving to achieve our goals in these areas.

Most Canadians are fully cognizant of the complexities of foreign affairs. In this field of human relations, as in others, "the truth" - to quote Oscar Wilde - "is seldom pure and never simple". What governments have to do - and what we have been doing in Canada - is to take a hard look at all sides of the many problems - and then adopt policies which will

- conform to the country's basic principles
- reflect domestic realities
- have long-term validity, and
- take into account the position of other countries.

Among the objectives underlying Canadian foreign policy are world peace, the rule of law, the dignity of man, economic growth and the preservation of national unity. Canadians are generally agreed on this. Today I should like to discuss some policies we are pursuing in order to achieve these underlying objectives. The list is long - foreign aid, NATO, peace-keeping, arms control, China, Vietnam - but it reflects an important point about Canada's involvement in and attitude toward the world. Increasingly, we are becoming concerned about problems in all parts of the globe through the United Nations, through our participation in alliances, or through bilateral relations with many countries. We are concerned about the whole gamut of relations among countries, whether they be political, economic or cultural. And we are particularly concerned with the opportunities for a positive contribution to the solution of international problems in all these areas.



The first major area of foreign policy that I would like to mention is under-development and foreign aid. Some have argued that, even if development is a problem in the poor countries, it is not Canada's problem and that we need not become involved. To my way of thinking, no point of view could be more short-sighted; the needs are so great and the alternatives to rapid growth so unacceptable that more, not fewer, resources must be channelled to the less-developed countries. Canadians have acknowledged the need and have responded positively to the idea that Canada has a significant part to play in the development of the "third world". Over the past two decades, our country has built up an aid programme which this year will exceed \$300 million in equipment, expertise, training and commodities. We have active programmes around the world in Asia, Africa and the West Indies. You may be aware of the fact that some other aid-giving countries have been levelling off their contributions or actually allowing them to decline. In the face of this movement, we have even greater responsibility to set an example by maintaining, out of an expanding economy, the upward trend of our foreign aid.

We are doing just that. It is the Government's firm intention to increase our aid budget significantly in the next five years. We are committed to raising our contribution to one per cent of our gross national product by the early 1970s. In dollar terms, we can look to annual expenditures of over half a billion dollars within five years.

It will be our intention to undertake these substantial increases without impairing or endangering commitments or important initiatives in other areas. It would be the height of irresponsibility to sacrifice -- as was suggested in a recent criticism of Canadian foreign policy -- our policies on the whole spectrum of world problems (and especially those associations and commitments directed towards collective security) in order to satisfy one requirement. Canada has, and will continue to have, a balanced foreign policy, which takes into consideration all the relevant issues.

Another major concern of Canada is the preservation of peace and security in the nuclear age. Some people have argued that world conditions are such that Canada could reduce radically, or even dispense with, its military contributions towards collective and co-operative defence arrangements.

As to NATO, no one would deny that significant changes have taken place in the years since the alliance was founded. Europe has recovered economically and is better able to provide for its own defence; in addition, tension in Central Europe has declined, bringing some improvement in East-West relations. Yet we should do well to remember:

- (1) That there is no peace settlement in Europe and no immediate prospect of one;
- (2) that a prime source of tension -- the division of Europe, and more particularly of Germany -- continues;
- (3) that the U.S.S.R. is militarily stronger than it has ever been in the past and retains massive forces in Eastern Europe; and
- (4) that, despite its progress, Europe alone could not withstand a revival of Soviet political pressure, let alone the pressure of Soviet military power.

In other words, while there has been undoubted progress in Europe, we have not reached the point where the West can safely dispense with NATO's military strength for defence against aggression.

This does not mean that NATO countries will not be prepared to join the countries of the Warsaw Pact in measures calculated to reduce tension further, in any way that could bring about a mutual reduction of forces. In this and in other ways, NATO can make an important contribution to the growth of confidence necessary to reach a mutually agreeable settlement in Europe. This will help in "building bridges to the East".

How do we see Canada's role?

First - Canada will continue to work through NATO and through every other possible channel, bilateral or multilateral, for progress towards détente in Europe.

Second - Canada will contribute its fair share to NATO's collective defence needs, given that the security of Europe contributes to the security of Canada. If in this way we can help to maintain stability in the Atlantic region, it is surely to our advantage to do so.

Third - Canada has persistently advocated that the members of NATO examine the future purposes and structure of the Organization. We are in the midst of that examination now.

Fourth - The precise nature of our military commitment is not fixed. It will vary according to changing military requirements, to the contributions of our partners, to what we can best and most economically contribute. The level of forces contributed to NATO has traditionally been a matter for collective rather than unilateral decision. We continue to believe that individual contributions to the military strength of NATO should be the subject of consultation among the members of the alliance.

But, whatever the shorter-term requirements and patterns, the long-term goal in NATO remains to reach a settlement between East and West such that NATO, in its military aspect, may no longer be essential to our security.

Another security issue is the question of renewing NORAD (or the North American Aid Defence Agreement) in 1968. The Government is now studying the future of NORAD. There is one point which should be emphasized now because it is apparently not widely understood -- that is, that NORAD is an air defence arrangement, which does not now - nor would its renewal - in any way entail or imply a commitment by Canada to accept or participate in any American anti-ballistic-missile system which might be deployed for space defence at some future date. We hope, of course, that the United States will succeed in persuading the U.S.S.R. to accept a moratorium on ABM deployment, so that the question of North American arrangements will not arise.

Recently, there has been some confused criticism of the conception of peace-keeping and Canada's role in United Nations activities in this field. The position of the Canadian Government on this question is clear -- we recognize that peace-keeping and efforts at "peace-making" should be pursued

simultaneously. Peacekeeping forces contribute to the restoration or creation of conditions within which political settlements may become possible and meanwhile help prevent a deterioration in the situation. Our objective in supporting United Nations peacekeeping activities has been to buttress the ability of the organization to hold the ring while the parties to a dispute attempt to settle their differences. We have, however, always taken the position that the parties should meanwhile make every effort to reach a settlement. Instead of belittling peace-keeping because of the problems which United Nations forces have encountered (for example, in the Middle East), critics should devote their energies to suggesting ways to strengthen the UN's ability to discharge its primary responsibility for peace and security and to ensure that future UN forces will have better terms of reference for carrying out their mandate.

Canada has not simply been playing a passive role in the peacekeeping field. From the creation of the first force, Canada has made a concrete contribution by participating in most peacekeeping operations. We have also sought whenever possible to promote movement by the parties towards a settlement.

I am convinced that Canadians want us to go on making a contribution to UN peace-keeping in spite of the undoubted difficulties - and certainly in spite of the claim of one observer recently that peace-keeping is a "vestigial" Canadian interest. To my mind, far from being "vestigial", peace-keeping is a forward-looking idea, which has proved its usefulness. This is certainly not the time to turn away from the United Nations and back to international conditions as they existed earlier in this century.

When new peacekeeping forces are required (and one does not have to be a prophet to predict that crises will arise in future), I am sure that Canadians will wish the Government to be ready to respond, if we are requested to participate and if the decision of the Security Council makes it feasible and appropriate for us to do so.

Recently, one observer of our external relations thought that Canada should, as a new direction, assign a high priority to disarmament and non-proliferation. I was amazed not at the goals themselves but at the idea that anyone could suggest that Canada has not attached fundamental importance to these goals. Canada is dedicated to the goal of general and complete disarmament and we have participated actively in every international disarmament forum and in every disarmament effort since the Second World War in attempting to achieve that end. Despite political impediments, some progress has been made in the initial steps of limiting armaments - for example, through the Partial Test Ban Treaty and the Outer Space Treaty. Canada played an active part in the achievement of both these international accords and was among the first signatories. On the proliferation of nuclear weapons, we have not only refused to develop these weapons ourselves but have contributed to the discussions that have, just two days ago, resulted in the tabling of a non-proliferation treaty in the Geneva disarmament talks. In the future, as in the past, we shall pursue every possible avenue to reach agreement on the reduction and eventual abolition of armaments.

In China today, we see anarchy and xenophobia, the source of which seems to be more the product of purely Chinese facts than of pressures or attitudes outside China's borders. Whatever the cause of current conditions, however, the task of learning to live with the Chinese has become more difficult. It is



not easy at the present time to establish diplomatic relations with Peking, when every Chinese action is a negation of those principles and customs which over the years have allowed continued meaningful contact between governments.

Last year in the United Nations General Assembly, I outlined what the Government considered to be a reasonable basis for seating Communist China, but there was insufficient support for this idea to warrant submission of a resolution which could be brought to a vote. Although there is obvious difficulty in resuming any initiative at this moment in the light of the present situation on the mainland and in Hong Kong, there has been no change in our views as to the need for a reasonable and just solution of this problem. The proposals made by Canada at the last Assembly for representation of both Peking and Taiwan in the General Assembly and for the participation of Peking in the Security Council as a permanent member remain valid as the most practicable solution to the problem.

Concerning the war in Vietnam, Canadians have -- and have had from the beginning -- one basic aim -- to see the end of hostilities. As a result, the Canadian Government has worked unceasingly to find ways in which this aim might be realized. It must be realized, not only because of the tragic cost to the Vietnamese people but also because of the danger which continued fighting holds for world peace.

A basic guide-line in our approach has been that, to be helpful, any suggestion or initiative must have some prospect of acceptance by the parties themselves. It has been with this point in mind that we have explored the possibilities with both sides and tried to put forward some points that could provide the basis for the creation of an atmosphere in which a dialogue might be undertaken. Particularly, we have sought a means of easing hostilities, including both the end of the bombing and the end of infiltration into the South, as a prelude to wider agreement. In addition, Canada has tried to keep open the possibility of the International Control Commission playing a role in paving the way for a peaceful settlement or in helping to implement the settlement. We have also indicated that we should be prepared to give sympathetic consideration to proposals for an international presence in Vietnam as part of the settlement process.

So far, neither Canada nor any other country or person of goodwill has hit upon a formula which both sides could accept. But the tragic consequences of the war demand that we persist in doing what we can to find a solution. I can assure you -- we shall persist.

I should now like to summarize my remarks on Canada's contributions to peace and development, but you will understand that I have been dealing with some but not all the important areas of Canadian foreign policy:

First - In our growing economy, the Government is expanding its foreign-aid programme, which should approximate 1 per cent of gross national product annually within the next five years. Our dedication to foreign aid must not, however, detract from other imperatives of Canadian policy.

Second - We are seeking détente between East and West and the maintenance of peace through the United Nations. As we draw closer to these objectives, we

shall be less dependent upon regional defence alliances for collective security. Meanwhile, NATO and Canada's contribution to it must be responsive to changing circumstances.

Third - Peace-keeping is an important means of contributing to the preservation of peace; we support it as a conception and as a positive role for Canada to play abroad.

Fourth - We are dedicated to the goal of disarmament and arms control and shall continue to participate in international efforts to achieve this goal.

Fifth - The present internal turmoil in China does not make it easy to establish relations with that country. We shall not abandon our view that the United Nations should adopt a rational approach in favour of China's membership.

Sixth - We want an end to the war in Vietnam and shall persist in our efforts to seek ways of bringing about a cessation of hostilities and a permanent settlement.

In each one of the issues that I have been discussing, Canada has a policy which is forward-looking and positive. In each case, Canada, as an affluent and mature nation, has been making an effective contribution to world peace and world economic development.

Canada's policy is balanced, responsible and based on reality. But it is no less imaginative for being balanced, no less independent for being based on reality, no less far-sighted for being responsible.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/28

## ENDING THE ARMS RACE

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the Amherstburg Rotary Club, Bob-lo Island, Ontario, August 31, 1967.

Just a week ago a draft non-proliferation treaty, designed to halt the further spread of nuclear weapons, was tabled in the Geneva disarmament talks. This long-awaited event is significant not only because we hope it will soon lead to the signing of a formal and universal agreement but also because it crystallizes so many of the central issues in the quest for disarmament.

Tonight I should like to discuss some of these issues with you:

The first, and most important, are the necessity and urgency of disarmament. The possible further spread of nuclear weapons and the measures which have been proposed for their control highlight the threat which modern armaments pose for humanity. It is true that we have achieved a precarious "balance of nuclear terror" in the world. The deterrent power of the West, and principally of the United States, has had the effect of restraining the Soviet Union from exerting political or military pressures arising from a large nuclear arsenal. But who is to say that the balance will not be upset? Or that an accident or miscalculation on either side will not cause a finger to be put on the nuclear trigger? Despite the so-called nuclear balance, we cannot afford to relax our efforts to control, and subsequently to eliminate, nuclear weapons as part of a comprehensive disarmament settlement.

The second important point illustrated by the tabling of the non-proliferation treaty is that we have made progress on the road to the ultimate objective of general and complete disarmament. Important advances have been made since the Second World War. For example, a treaty signed in 1959 made Antarctica a demilitarized zone. 1963 saw the conclusion of the partial test-ban treaty prohibiting nuclear explosions in outer space, under water or in the atmosphere. In recent years, the practice of applying safeguards on peaceful nuclear activities to ensure that they are not secretly being used for military purposes has been widely accepted. This year, the Outer Space Treaty barred nuclear weapons from that environment. Also in 1967, the independent states of Latin America and the Caribbean signed a treaty which is intended to create a nuclear-free zone in the area. And now the non-proliferation treaty. So we can say that we have succeeded in making some progress in controlling the weapons of war.



But it must be admitted that our achievements in arms control are not overly impressive when compared to the magnitude of the task, and this is the third facet of disarmament brought out by the tabling of the non-proliferation treaty. The proposed draft would not reduce the number of nuclear weapons in the world; it would only help to hold the line at the number of countries now possessing them. This would be a contribution to the control of arms, but it would not be disarmament. The same is true of all the examples which I listed a few moments ago. We have restricted weapons in some ways, but we have not really begun the enormous task of getting rid of these "engines of destruction" or even of reducing our arms expenditures.

The fourth point about disarmament which is brought home by the non-proliferation treaty is that, although disarmament measures undoubtedly improve the international atmosphere, they are more the result than the cause of political agreement. At a time when relations are strained because of the Vietnam and Middle East conflicts, the tabling of the non-proliferation treaty should contribute to an easing of tensions between East and West. The treaty itself, however, is the product, not so much of technical agreement, as of the recognition of certain political realities in various parts of the world. Thus, in the future, we shall be able to take real steps forward only if we have allayed the fears and mistrust which exist in both East and West. That is why Canada considers efforts to "build bridges to the East" to be so important - they lay the groundwork for political, and then arms control, arrangements.

Finally, the non-proliferation treaty negotiations have given us a good idea of the characteristics which must be embodied in any disarmament agreement if it is to be generally acceptable. It is clear, for example, that grandiose disarmament schemes, which are so attractive on paper, demand too much from a suspicious world. We shall only make solid advances through a step-by-step approach which will permit difficulties to be broken down gradually. For over two and a half years, the negotiators in Geneva and in the United Nations in New York, and the political leaders of many countries, have been concentrating their efforts on one particular disarmament objective - and the work has not yet ended. Even with the tabling of a draft non-proliferation treaty, more hard negotiations will be required to hammer out a text which will be accepted and signed by most of the countries of the world. We can expect that all disarmament agreements will require the same patient, unspectacular but persistent effort. In addition, the problems of verification and safeguards will have to be taken into account.

Much of the controversy surrounding the non-proliferation draft has come from the question of whether countries might be able to act clandestinely to circumvent the treaty's provisions. So also with any disarmament agreement. Before agreeing to restrictions on their armaments, countries will have to be satisfied that potential adversaries could not secretly break the rules and thereby obtain a significant military advantage.

Even as I discuss these principles and guide-lines to agreement, however, I realize, as you must also, that there are pressures in the opposite direction. That, while we talk of the importance of ending and reversing the

arms race, the race continues - and continues with the threat of acceleration.

There are a number of areas in which the threat is immediate. I should like to mention two. One is the ominous tide of increased conventional arms acquisition by non-nuclear countries in the less-developed world. In some regions, the arms race is only an "arms walk"; in others it is a pell-mell scramble. In all it is a severe drain on the economic and technical resources of the poor countries and contributes to the increase of tension. In the Middle East, for example, the leap-frog acquisition of arms contributed to the recent conflict and could lead again to hostilities. We must find ways of putting an end to the renewal of this arms race. Although Canada recognizes the problems created by Soviet arms activities in the Middle East, and the reasons which have led Western countries to attempt to maintain a military balance in that part of the world, we regret the continued flow of arms into the area, and we support practical and equitable proposals for controlling all arms shipments. Thus Canada has expressed its support for the preliminary suggestion of President Johnson to institute a system of registering arms shipments to the Middle East. Our hope would be that registration would be followed by arrangements to limit the supply of arms. Unfortunately, the Soviet Union has so far shown little interest in this exploratory proposal. But we must continue to search for ways to reduce the flow of lethal equipment to this and other areas of tension in the less-developed world.

A second immediate problem of arms-race acceleration is the possible deployment of anti-ballistic-missile systems in the Soviet Union and the United States. Evidence that the Soviet Union is undertaking some ABM deployment and the progress made by Communist China in nuclear-weapons development have increased pressures for the United States to react in kind. The costs of constructing systems of defensive missiles are astronomical; some estimates range as high as \$40 billion. But even such sums spent on ABMs would not prevent the penetration of United States defences by Soviet missiles in an all-out attack. As for a potential Chinese missile threat, we understand that the time required for United States ABM deployment is sufficiently short to permit a wait-and-see approach for the moment. Apart from the question of whether ABMs would provide full protection, however, the effect of deployment upon East-West relations and the prospect for further arms-control measures would be unfortunate. As a result, Canada supports the United States in its current unwillingness to deploy an ABM system. In our view, the United States is pursuing the right course in attempting to obtain Soviet agreement in establishing a moratorium on ABM deployment and in limiting all forms of strategic missiles. We hope that these efforts will succeed.

So far I have mentioned only the security and political implications of arms and arms control. There is, however, also an economic side. I am appalled by the estimate that the nations of the world spend more than \$130 billion - a figure more than twice Canada's gross national product - on arms every year. While we can appreciate the security requirements which necessitate such expenditures, we also know what must be given up in the way of consumer goods, educational facilities and social services in order to pay this bill.

Military expenditures are concentrated in the Communist countries and in the West, but the sacrifices being made by the under-developed world as a result of arms purchases are even greater because of the narrow economic base in most emerging countries.

Some people have the view that armaments are good for business and, conversely, that disarmament measures would have a depressant effect on the economy. I do not agree. Studies undertaken by the United Nations, by the governments of many countries such as Canada and the United States and by independent analysts suggest that the transition to a civilian economy, while it would bring some problems, need not be painful. For example, the transition from the Second World War to peace-time, a more extensive operation than would be required by a gradual process of disarmament, was handled in the United States and Canada without undue strain. With planning, we should not fear the adjustment to a civilian economy and, as a result, disarmament, whenever possible on political and security grounds, should be welcomed in economic terms.

It is 150 years since the United States and Canada gave an example to the world with a disarmament agreement. That agreement, the Rush-Bagot Treaty, which put an end to naval confrontation on the Great Lakes, has stood the test of time and has contributed to the close and friendly relations which we now enjoy. Today, we need the example of a new Rush-Bagot Treaty, not to regulate bilateral Canadian-American security problems but rather to contribute to controlling the arms race around the world. With our experience in bilateral co-operation, Canada and the United States can give leadership in the search for world-wide arms-control and disarmament arrangements.

To do so, we must:

first, acknowledge the central importance of general and complete disarmament as a necessary security objective;

second, actively work toward that objective through the promotion and acceptance of limited, balanced and verified arms-control agreements reached with the Communist and non-aligned countries;

third, exercise restraint in participating in, or contributing to, the arms race whether nuclear or conventional, whether at home or abroad; and

fourth, support and seek moves which will reduce tensions between East and West and within the "third world", so that arms-control agreements will become possible.

I can assure you that Canada has exerted, and will continue to exert, all its efforts to facilitate these ends. Only through such efforts, joined with those of others in the West, in the Communist countries and among the non-aligned countries, will we lay the spectre of war and get on with the job of building a stable and prosperous peace. As a start, let us hope that a non-proliferation treaty will be successfully negotiated and signed in the near future to point the way to further progress on the road to a disarmed world.





# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/29

## OVERCOMING THE WORLD FOOD PROBLEM

A Speech by the Honourable Paul Martin,  
Secretary of State for External Affairs,  
at the Young World Food and Development  
Seminar, Toronto, September 15, 1967.



I cannot commend too highly the purpose which brings us here today and the individuals who have made this conference possible. One of the greatest forces in the world today is the strength and vitality of our young people. One of the greatest challenges, as awesome in its way as the threat of nuclear destruction, is the spectre of a world that cannot feed itself. The sponsors of this conference and of the regional seminars which have preceded it, have found a practical way of bringing the vitality, enthusiasm and idealism of youth to bear upon the problem of hunger in the world.

This has been the centennial project of Massey-Ferguson and it has enhanced a proud Canadian name. No finer way could have been found to celebrate our country's hundredth birthday.

The success of this conference will be seen in the stimulation of agricultural activity in all parts of the world and will represent another major achievement in the solid record of progress established by the Food and Agriculture Organization of the United Nations. I well remember that day, almost 22 years ago, when the constitution of the FAO was signed in Quebec, based on the hope of the Atlantic Charter that a peace would be established which would afford assurance that all men in all lands might live out their lives in freedom from want. It was a brave hope. It has not yet been realized.

Despite billions of dollars spent on foreign aid and gifts of food, despite the energy and dedication of such organizations as the Freedom-from-Hunger Campaign, and despite years of activity by all the international agencies which have applied themselves to this field, the fact remains that there are more hungry mouths in the world today than ever before in history.

Malnutrition is the dark angel which hovers today over millions of young children in Africa, Asia and Latin America. It appears before their birth and carries them to an early grave, with hunger their constant companion in the years between. Famine strikes all too frequently upon the plains of Asia. We can admire the fact that hungry nations have made progress in the last 22 years; were they not handicapped by crippling difficulties, they could take great forward strides.

The statistics of the world food crisis read like a gospel of despair. We have been told that more lives will be lost through starvation in the next ten years than in all the wars of history. More than one-fifth of the 2,200 million inhabitants of the developing countries are hungry and more than half suffer from malnutrition. Grain stocks, once considered excessive in certain major exporting countries such as Canada, have been drawn down drastically in the past five years and are now deemed to be at minimal levels. If present trends are not altered, the 13 developing countries with major cereals shortages could experience a cereals deficit of as much as 30 million tons a year by the mid-1970s. These nations, already suffering chronic balance-of-payments deficits, might have to spend \$7.5 billion in foreign exchange in 1975 to import foodstuffs, with a consequent slowing-down in significant areas of economic development.

Statistical surveys, based upon total food produced per person, suggest that there is no world-wide shortage of food in terms of calories or protein at the moment. But in the developing countries, where two-thirds of the world's people live, there is overwhelming evidence of undernutrition and malnutrition.

The world's increasingly serious nutritional problem arises from the uneven distribution of the food supply among countries, within countries and among families with different levels of income.

The conclusion is inescapable. The deficiency is one of human organization. The people of our world need leadership to escape from the vicious bonds of hunger.

We have the land. With imaginative schemes of irrigation and flood control, with the application of fertilizer and the latest advances in technology, millions of acres can be brought into fruitful production. We have limitless possibilities for technical advance -- in developing the immense resources of the sea, new cereal strains, herds and flocks that give more meat, more milk. We have the human resources -- abundant human resources. Each year, for example, thousands of overseas students in our Canadian universities demonstrate their ability and their determination to apply their broader knowledge to the problems of their native lands. Given the capital and the tools, there is no doubt that they can do the job. For the first time in history we have the potential to solve this age-old problem. But we have to generate the will to use those skills to the benefit of mankind.

We are told that social changes are required but that these must evolve gradually. We know that centuries-old systems of land use do not always produce the greatest benefit from the land but that old methods of farming, which have served generations, cannot be altered overnight to suit the dictates of an alien science.

But surely, in facing the disastrous consequences of continued hunger, more devastating in its effect than the mushroom cloud of a nuclear explosion, surely we must become impatient, surely we must demand an end to the apathy which acts as a brake on human progress.

Leadership is the essential ingredient. Only men and women charged with the urgency of the situation can give the inspiration and direction which will lead us away from hunger and sickness to plenty and health. Those not prepared to meet the challenge of development are not fit to be in positions of



responsibility. Leaders must have the foresight and wisdom -- not only to deal with recurrent emergencies but to lead their people to solve the central problem of our time.

The dimensions of the world food crisis may not strike the public as being as dramatic as the threat of war. The average citizen, saturated with statistical data, finds it hard to become excited about things which may happen in 50, ten or even five years' time. But hunger and its companion ills cannot be ignored. They are breeding, today, the crises and conflicts that could face each one of us tomorrow.

A continued imbalance between the affluent societies and those who never have enough to eat places great strains on a world already subject to dangerous pressures. If we are to ease those strains, we must act decisively and wisely before present opportunities are lost.

In Canada, we are preparing ourselves for the role which we must play as a great agricultural nation. We have made major contributions to the world's food shortages -- we gave more than \$100 million in wheat last year and pledged ten per cent of the resources of the World Food Programme.

This year we have some 60 agricultural advisers abroad in 17 countries -- practical men, applying themselves to practical problems. They are developing new rust-resistant strains of wheat in Kenya; helping to fight rinderpest disease in West and Central Africa; to establish new pasture-land in Korea and new agricultural education facilities in Thailand. Other Canadians, sponsored by non-governmental organizations, are helping to drill for water in the famine-stricken areas of India and are taking part in the Asian drive against food losses through vermin and rot.

Our capital-assistance projects bearing on agricultural or fisheries development in 20 countries total almost \$15 million. Apart from our food-aid programme, we plan to ship overseas in 1967 and 1968 more than \$22-million worth of fertilizer and fertilizer components.

But we know that this is only a part answer to the long-term problems of agricultural insufficiency. There is much more to be done.

In concert with others, we must provide the schools and cultural institutions that make rural life rewarding for young men and women with ambition and spirit. We must make sure that when the land is ready, machinery, fertilizer, seed and stock are available -- that techniques and skills are transferred in time.

We must go further. In co-operation with others we hope to achieve advances in international commodity-price agreements and the arrangement of markets to provide improved access for the primary products of less-developed nations. The individual farmer must have the assurance of a reasonable return on his industry and investment.

Our solemn duty is to devise ways and means by which the bread of this world can be put into the mouths of its people. To this task all human endeavour must be applied, for, if we fail, all our endeavour will be pointless.



Our aid programme in Canada is being reshaped to meet this challenge. Despite the improvements in communications and the close relations which Canada has had with its partners in development, not enough is known about the way in which our special experience and capacities can be wedded to overseas need. We are moving to remedy this situation. Next month, we shall send a team of Canadian agricultural specialists to India. Their assignment is to define areas in which Canada, with its specific skills, experience and products, can mount better programmes of assistance. It is our hope that other nations may follow our lead and that those who require assistance will welcome this initiative.

Despite 20 years of co-operation, our two worlds are still too far apart. We in the economically-developed world must bring home to our peoples the true gravity of the situation. Those who are struggling against overwhelming odds in the developing world must take fuller advantage of the opportunities offered by economic co-operation.

Government aid programmes alone cannot meet the whole challenge of underdevelopment. Total mobilization of available resources is required and, to this end, government must look to its private sectors for the application of economic capacity and private initiative.

Here are vast resources of capital and scientific knowledge. Ways must be found to apply this capital and knowledge to problems far beyond our own borders. There are many scientifically-trained young people eager to serve overseas in the cause of international co-operation for development.

Those who guide the machinery of government and those who work in the experimental laboratories look to youth to provide a spur. Canada gives its full encouragement to its young people who wish to serve the cause of development, whether through government programmes or the energetic activity of our young volunteers. All over the world, young people must be given the opportunity to bring fresh ideas to bear upon the old, old problems.

You are the most deeply involved; you have the most to lose if the battle against hunger is not won; you are the best prepared to fight the battle.

But it is not to you alone that we must look. All who have responsibilities of leadership must accept the challenge.

The world has no place for neutrals or bystanders in this war on want. We are all involved. We shall all suffer if that war is not won. We shall all benefit from victory and it is my hope that we shall see the fruits of that victory in this generation.

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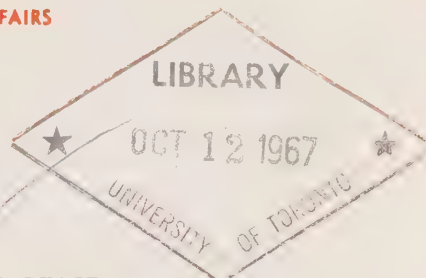
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CANADA

## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
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### CANADA AND THE UNIVERSAL FORUM FOR PEACE

An Address to the United Nations General Assembly in New York on September 27, 1967, by the Secretary of State for External Affairs, the Honourable Paul Martin.

...If we are to judge by the pace of our activities since the conclusion of the last session, this organization is a vigorous and healthy one. Two special sessions of the Assembly, an intensive series of meetings of the Security Council, not to mention the normal activities of other United Nations bodies, testify to the continuing vitality of the United Nations.

While this record of activity is encouraging, some will no doubt say that the results at which we have arrived are disappointing and that the United Nations has only confirmed its reputation as a forum for debate rather than an instrument for action. What have been called the "interlocking stalemates" on our agenda remain as they were before. And yet, if talk is cheap it is certainly better than resort to the use of force. It should be of some encouragement to us that our agenda is crowded and that the world so often turns to this organization with its troubles. As far as my country is concerned, the future of the United Nations is linked to its capacity to become a universal forum in which all the conflicting interests, ideologies and points of view of mankind can be brought together. Without contact there can be no co-operation. Without debate there can be no reconciliation. And, moreover, this organization was able to bring about a cease-fire in the Middle East, and this organization did assume responsibility for South West Africa. The fact that we proceed slowly and that frequent stops have to be made on the way should not be blamed on the vehicle, but on the road we have to travel.

All of us subscribe to the high ideals of the Charter by the very fact that we are here. Where we go wrong and where we are apt to be disappointed is in putting those ideals into practice. Clearly, there must be willingness to negotiate compromises. I am encouraged by the fact that at the two special sessions of the Assembly this year there were genuine and persistent efforts on all sides to negotiate. Failure to reach agreement was perhaps understandable in the circumstances. What we must ensure is that we do not accept frustration; on the contrary, we must make frustration a spur to further efforts in the continuing search for agreement on outstanding issues.

## Middle East

The Middle East is of major concern to us at this time. My country has followed developments there with anxiety for the future of that historic area of the world and with sympathy for the thousands of innocent people who are, as always, the first victims of war. Canada has been directly involved, as you know, in the affairs of the Middle East through our membership on the Security Council and our participation in the United Nations Emergency Force and the United Nations Truce Supervision Organization. We are a major contributor to the programme of the United Nations Relief and Works Agency. Nothing illustrates better the vital contribution the United Nations has made to the area than the fact that two of these organizations continue to have an indispensable function to perform in relieving suffering and in helping to maintain a relative tranquillity.

It is clear, nevertheless, that we have failed to establish the foundations for a lasting peace. The securing of such a settlement has been Canada's abiding concern ever since 1947. We witnessed the opportunity slip away in 1949. In the early months of 1957 we emphasized again and again in this Assembly the vital importance of action to remove the causes of war. When tensions were mounting once more in the Middle East in the spring, with others we sought to have the Security Council urge restraint on the parties involved. Now, again, it is incumbent on all of us, and particularly on the permanent members of the Security Council, to make every effort to lay the basis for a long-term settlement.

Speaking at the fifth emergency special session on June 23 last, I said that in Canada's view, "the withdrawal of the Israeli forces, vital as it is, must be related to the other basic issues involved". This remains our view. These other issues include: respect for the territorial integrity of all the nations of the area, and the ending of claims to belligerency; respect for the rights of all nations to innocent passage through international waterways; justice for the refugees; and arrangements for the preservation of the special spiritual and religious interests in Jerusalem, involving, I should hope, some form of international supervision by this organization.

The first priority must be to see whether the efforts which were made at the special emergency session in July to work out a resolution combining some or all of these principles can be resumed and carried to a successful conclusion. If an agreement on principles could be reached, we should also, I think, take the advice of the Secretary-General in the introduction to his annual report and give him an appropriate authorization for the designation of a special representative to act as a much-needed channel of communication between the parties and as a reporter and interpreter of the events for this organization. But, even if it should prove impossible to reach agreement on a statement of principles, I believe that the United Nations should, nonetheless, send out to the area a special representative of the Secretary-General -- and do so without delay -- with a broad mandate to establish and maintain contacts with all sides and assist in the return of peaceful conditions. This appointment would not be a victory for any party but a genuine demonstration



of the responsibility of the United Nations to encourage the peaceful settlement of disputes.

I wish to say a special word concerning the refugees. The most recent report of the Secretary-General, based on the findings of his representative, brings us once again face to face with our responsibility to preserve and strengthen "the dignity and worth of the human person". His report points to the urgent need for more international assistance of all kinds, and the Government of my country is considering how it can help further such assistance. Whatever generosity we can summon (and I know that many governments have been generous over the years in their response to the needs of the refugees in the Middle East), this will not, however, be sufficient to solve the underlying problem. It is essential that justice be done to the rights and claims of the refugees in the framework of a general settlement.

The principles of compensation, repatriation and resettlement enunciated in previous resolutions of our Assembly provide the necessary guidelines for settling the refugees in permanent homes. The parties directly concerned have moral and historical obligations towards the refugees which must be recognized; but it would be unrealistic to expect that they could, in present circumstances, carry out alone an effective programme of this kind.

I should, therefore, hope that we might give serious study to the establishment of a co-ordinated plan of international action aimed at regional development on an ambitious scale. It would help provide a basis for a solution of the refugee problem and could lead to a new era of peace and prosperity in the area. It would require the full support of the members of this organization, as well as the co-operation of the countries in the Middle East. Such a plan might encompass agricultural and mineral development, a co-ordinated approach to the development and utilization of water resources, and, if feasible, projects for desalination and the production of electric power.

It would appear essential that an international programme along these lines be carried out in conjunction with a settlement of other outstanding questions, if it is to have any prospect of success. Nevertheless, we should not delay for this reason an attempt to develop the practical programme and to establish the appropriate machinery.

### Africa

Another principal area of concern to this organization over the past year has been the situation in southern Africa, particularly in Rhodesia and in South West Africa. Canada supported -- and I wish to reaffirm that support -- Resolution 2145 (XXI), which terminated the mandate of South Africa over South West Africa and brought South West Africa under the direct responsibility of this organization. We participated actively as a member of the Ad Hoc Committee for South West Africa in the search for practical means of implementing that resolution. This search has not led to arrangements for the transfer of the administration of South West Africa. I should hope, however, that the Assembly would now consider alternative approaches to this problem, including the idea of undertaking preliminary consultations with the peoples and the

de facto authorities of South West Africa. They might be done through a representative of the Secretary-General, as my country and a number of delegations have already suggested.

Frankly, the attitude of the Government of South Africa gives us cause for concern. My Government would consider invalid any attempt by South Africa to take action which would have the effect of dividing the territory into smaller parts or of incorporating it into South Africa. The international character of the territory and the interests and well-being of its inhabitants must be the paramount considerations which guide our actions. At the same time, we have no choice but to take into account in whatever we do the capacities and resources of the United Nations.

In December 1966, the Security Council took far-reaching decisions to apply mandatory sanctions against Rhodesia. Canada has repeatedly expressed its conviction that Rhodesia must not be granted independence before majority rule is attained. We have complied strictly with the terms of the Security Council's decisions. There is a total ban on trade between Canada and Rhodesia. I am disturbed, however, at indications that the Security Council decision is not being fully implemented. Without full co-operation from every member state in this organization, the purposes of the United Nations will be frustrated. And so we look forward to receiving the report of the Secretary-General on the implementation of sanctions. Once that is available, the Security Council will be in a better position to decide what further measures should be taken.

Now, clearly, one of the principal obstacles to the effective implementation of United Nations recommendations relating to southern Africa is the continuing lack of co-operation from the Government of South Africa. Whichever way we turn, in whatever direction we look for solutions, we find the same implacable opposition. My Government is conscious of the dilemma: on the one hand, we cannot ignore the implications of South African policies for the world community as a whole; and, on the other hand, to invite a physical confrontation now with South Africa carries the gravest implications. It is evident that such a confrontation would impose a heavy burden on those states which would have to accept the principal responsibility for taking the necessary measures. We have a legitimate interest in doing all we can to banish apartheid as an instrument of South African policy. At the same time, we must recognize that the real interests of this organization are best preserved by measuring our ends against our means.

#### Vietnam

Now I want to say a word about the vital and worrying problem of Vietnam.

It would be encouraging and, indeed, deeply gratifying to all of us at this Assembly if we were able to note that the thunder clouds of war had lifted from Vietnam since one year ago, when we gathered in this same forum to review the problems of the world. That is not the case. The suffering and destruction in Vietnam continue unabated. Despite all the efforts, including

those of my own country, to seek a basis for negotiation, the issues behind the conflict seem to remain as intractable as ever.

Once again we face the question, therefore, whether this organization can help to bring the Vietnam conflict closer to a peaceful and mutually acceptable conclusion and to foster political stability and economic progress in an area of the world where both are so badly needed.

There are, of course, reasons which militate against immediate and formal action being taken by this organization at this time. We cannot escape the obvious fact -- and it is a fact that I regret -- that some of those most directly concerned with this conflict are not represented in the United Nations. I do not wish to suggest that, if it were otherwise, we should automatically find ourselves closer to a concrete solution to the problem in Vietnam. Whether this situation will change in the future I cannot say, but I do not believe that efforts for peace need be held in abeyance until it does.

A second important reason for the inability of this organization to contribute constructively to a solution in Vietnam is that the great powers are divided on the causes of the conflict and on the measures required to terminate it. As we all know, the Security Council can function effectively only if its members will unite their strength to maintain international peace and security, as the Charter indeed calls upon them to do. And I can see no immediate prospect of that unity being found.

And so to be realistic in assessing our present ability here to act collectively and as an organization must not be regarded as a justification for apathy and inertia by each of us individually. This, I think, has been the conviction of the Secretary-General, who has made repeated efforts to find a solution, as have others. This has also been the conviction of Canada. We must strive to bring into play whatever channels and whatever forms of peace-seeking machinery may be available to the international community. Our goal must be the restoration of peace, and making it secure, at the earliest possible time. That surely was the overriding concern which gave birth to this organization; and I am one of the very few in this hall who attended that birth.

As members of the United Nations, partaking as we do of common objectives and obligations, I think we must register our concern in terms clear enough and unequivocal enough for all those directly involved in this conflict to hear and understand. At the same time we must work with all the resources of ingenuity, imagination and flexibility, and above all with a sense of justice, towards devising whatever means may be mutually acceptable for bringing the conflict in Vietnam from the field of hostilities to the conference table.

Yesterday, the Secretary of State for Foreign Affairs of Britain said:

"We are ready to meet with the Governments of the Soviet Union, India, Canada and Poland, as proposed by the President of the World Federation of the United Nations Associations..."



I should simply like to say that my Prime Minister, in the name of the Government of Canada, has indicated our willingness to attend such a conference.

Whether the path we select as the most direct route to that conference table bears a name derived from the Charter or from the Geneva Conference machinery matters less to my mind than our assessment of its likelihood of leading to an end to the war. For our part, the Canadian Government, which has a special interest and a special responsibility because of our membership in the International Control Commission, will, as in the past, continue to explore all possibilities of making use of that Commission or acting in conjunction with its Commission partners, Poland and India, to try to lead the parties to the conflict towards negotiations.

There is not the slightest doubt in my mind now that the first step in that direction will involve the question of the bombing of North Vietnam. It seems clear that all attempts to bring about talks between the two sides are doomed to failure unless the bombing is stopped. That is a matter of first priority if we are to start the process of de-escalation and to open the door to the conference room, as several representatives who have preceded me at this rostrum have pointed out -- in particular the Prime Minister of Denmark and the Foreign Minister of Sweden.

But we must not for a moment pretend that a halt in the bombing would in itself bring an end to the war. I believe it is now the first step. There are no magic formulas; there are no simple prescriptions for the settlement of problems as complex as the issues behind the hostilities in Vietnam. On April 11 of this year, in our Parliament, I made certain suggestions on how a start might be made on the road away from war by a progressive return to the cease-fire arrangement worked out at Geneva in 1954. I proposed then that the following steps might be taken:

First: as a first step towards disengagement, the bombing of the North might be terminated and the demilitarized zone restored to its intended status subject to effective international supervision;

second: a freezing of the course of military events and capabilities in Vietnam at existing levels;

third: the cessation of all hostilities between the parties, that is, a cease-fire; and, finally,

fourth: following the cease-fire, withdrawal of all outside forces whose presence in the area of conflict was not provided for at Geneva, and the dismantling of military bases.

I recognized then, as I have elsewhere, that there is no hope for peaceful settlement in appeals or proposals which place the total burden of responsibility for making essential concessions on only one side. That sort of approach is relevant only in circumstances of military victory and defeat.

If, therefore, we are to recognize a halt to the bombing for what it is -- namely, the key to a solution, the starting-point in the process of solving the Vietnam problem --, let us be very clear in our own minds that it is only one side of a military equation and that we cannot proceed, if we are to have any hope of success, as if the other side did not exist. No attempt to bring an end to the conflict can disregard either the political or the military interrelationships in the area. Canada is ready at all times to accept its responsibilities in the International Control Commission, to act in conjunction with its Commission partners in helping to lead the parties to the conflict in Vietnam to the conference table, and to assist in every way to achieve the establishment of an equitable peace in Vietnam. I believe that, as long as that war continues, it serves as an obstacle to the settlement of other vital issues that concern us all.

### Trade and Development

At a time when our organization is beset with difficulties in fulfilling its responsibilities for the maintenance of peace and security, we can draw encouragement from the increasingly effective part which the United Nations is taking in the great task of economic and social development. Hunger, disease, poverty and ignorance threaten the peace just as surely as disputes over frontiers or relations between races. And here the United Nations is making steady progress. It devotes by far the largest portion of its total resources to promoting economic and social progress. But more is required. Peoples around the world will judge our actions in large measure by our success in helping to provide an adequate response to their most vital needs. Indeed, the future of the United Nations system itself is directly related to its ability to make an increasing contribution to overcoming the glaring disparities in living standards which mark today's world. In Canada, we are deeply conscious of the need for more aid on better terms. This has been reflected in a greatly expanded development-assistance programme. In a period when, unfortunately, the total flow of resources to developing countries has tended to remain static, Canada has taken the decision to expand its contribution to international development progressively, so as to reach the target of 1 per cent of our gross national product by 1970-71. We are constantly seeking to improve the quality of our aid programme. We attach particular importance to the expanding role of the United Nations Development Programme, to which we are a major contributor. We intend to play our full part in the replenishment of the International Development Association and hope that the resources available to this important agency will soon be significantly expanded.

As we seek to give new impetus to international co-operation in the field of development at this time, preparations for the second United Nations Conference on Trade and Development, which will convene in New Delhi soon, will be uppermost in our minds. I believe that the signal achievement of UNCTAD to date has been the way in which it has brought donors and recipient countries together in the study of the development process as a whole, and placed in perspective the relationship between its financial and trade aspects. As a result of UNCTAD's work, we appreciate more clearly the fundamental truth that economic development is a joint endeavour, depending for its success on synchronized action by both developed and developing countries. I am sure that the Conference itself will mark an important step forward.

## Disarmament

There have been three important developments in the field of arms control since I spoke to the General Assembly at the twenty-first session: first, the approval of the Treaty on the Peaceful Uses of Outer Space; second, the conclusion of the Treaty to Prohibit Nuclear Weapons in Latin America; third, the submission of draft treaties on non-proliferation of nuclear weapons by the United States and the Soviet Union on August 24 in the Eighteen-Nation Disarmament Committee.

With its imminent entry into force, the Treaty on the Peaceful Uses of Outer Space will soon be an established and far-reaching fact. It ranks among the important achievements in the arms-control sphere since the establishment of the United Nations.

I am sure we should all wish to congratulate the states of Latin America and the Caribbean for reaching agreement to establish the first nuclear-free zone in an inhabited part of the world. This treaty will lend impetus to the non-proliferation negotiations, which have now been intensified in Geneva and will shortly be before this Assembly.

## Non-Proliferation Treaty

The conclusion of a non-proliferation treaty is vital, urgent and of paramount importance. I urge that the General Assembly endorse the results of more than two years of effort, so that a treaty can become a working reality soon. The treaty may not be a measure of nuclear disarmament, but it is a vital step towards nuclear arms control, in itself an important prerequisite to ultimate nuclear and general disarmament. It will help to prevent a new nuclear arms race, greatly reduce the danger of nuclear war and contribute to conditions in which the nuclear powers can address themselves to the problem of reducing their nuclear arsenals. Far from perpetuating a nuclear weapons monopoly, the international forces generated by this treaty will bring pressure to bear on the nuclear powers themselves to undertake further measures of nuclear arms control.

We are confident that the treaty will not inhibit collective defence arrangements or the civil nuclear programmes of non-nuclear signatories. On the contrary, in my view, the treaty will enhance nuclear development for peaceful purposes in non-nuclear states.

My country, by the way, has long had a nuclear capacity, but it determined from the very beginning to use its nuclear know-how for peaceful purposes only.

We are firmly convinced that this treaty should prohibit non-nuclear signatories from developing so-called peaceful nuclear explosive devices. There is no distinguishing between military and civil nuclear explosive technology, between the destructive power of a nuclear bomb and a nuclear excavating charge. A more permissive provision for peaceful nuclear explosions would represent a fatal loophole by means of which non-nuclear states could acquire military nuclear technology. That is not to say that we should not expect the nuclear powers, perhaps in this Assembly, to give an explicit undertaking to extend nuclear explosive services on reasonable terms upon request once they become



technically feasible.

We also believe that non-nuclear signatories should have some parallel assurances from the nuclear powers against nuclear blackmail, and we hope this Assembly will be able to agree on appropriate measures. We hope that an equitable safeguards formula can soon be agreed upon which can be accepted by all interested parties. Such an article would do much to promote the extension of international safeguards on peaceful nuclear activities and strengthen the mechanics of nuclear arms control.

#### Secretary-General's Report on Nuclear Weapons

In the next two or three weeks we shall receive from the Secretary-General his report on nuclear weapons. Such a report -- the product of so much knowledge and experience -- must command our careful attention; it must command the careful attention of all people interested in the development of a rational and stable world order.

#### Conventional Arms Control

My Government endorses the right of all states to take whatever measures they deem necessary to ensure their self-defence, but we would urge the suppliers and the recipients of arms to exercise restraint in their sale and acquisition so that a serious imbalance of arms does not develop in any area where it might lead to the outbreak of fighting. The United States recently proposed the registration of arms shipments to the Middle East, for instance, and we think that this is a practical, constructive and forward-looking proposal to which this organization might well lend its good offices. We should hope that the principal arms suppliers to the area would give it serious consideration.

#### Anti-ballistic Missile System

I should now like to turn for a moment to a specific measure of arms control in which there was reason to hope that the nuclear powers might be expected to make progress in the near future. Some months ago, as we know, the United States proposed to the Soviet Union that they enter into discussions designed to limit offensive and defensive strategic nuclear weapons systems and in particular the deployment of anti-ballistic-missile systems. To date those talks, I gather, have not started, and we understand that the Soviet Union has not responded to United States efforts to get the talks under way. Meanwhile the Soviet Union has continued to develop the anti-missile defence of Moscow. The United States has recently announced its intention of going forward soon with a limited and light armanent defence oriented against a potential Chinese nuclear threat foreseen for the early 1970s.

As the representative of a secondary power vitally concerned about nuclear arms control and disarmament, I must state that it seems unreasonable to expect progress in this direction if the nuclear weapon powers are not at least prepared to discuss limiting their own nuclear weapons. I therefore appeal to those powers to pursue their efforts to reach agreement on measures

of self-restraint with the same diligence that they are promoting the non-proliferation treaty. As the United States Secretary of Defense so aptly expressed it, what the world requires is not a new race towards armament but a new race towards reasonableness.

### Peace-Keeping

My Government has always been actively interested in peace-keeping, not only because Canada has contributed military personnel and financial support to UN peace-keeping for many years, but because we attach the greatest importance to the work of the United Nations in the maintenance of peace and security. And I strongly support what my colleague Mr. Brown said yesterday. Along with several other governments, I think my country can claim the right to contribute a special knowledge of peace-keeping to our discussion. My Government regrets, therefore, that the Special Committee on Peacekeeping Operations was not able to meet this summer despite the encouraging signs of progress in its work, which were beginning to appear some months ago. Recent developments in the Middle East and elsewhere strengthen our belief that this organization has an important task to perform in the maintenance of peace and security.

Some may feel that the issues are so difficult and the disagreements so profound that there is little point in the Special Committee continuing to meet. But I do not take that view. We would have been surprised if progress were not to be slow. The questions under study are among those which challenge the most deeply-held beliefs of member states about the nature and purposes of this organization. We cannot afford the luxury of cynicism. Moreover, at the last series of meetings of the Committee, concrete proposals were made which deserve to be explored further. I have in mind particularly proposals relating to a special scale for the financing of peacekeeping operations and proposals for the advance planning and co-ordination of logistical and other arrangements for peace-keeping. I have in mind, too, proposals which have been made relating to the Military Staff Committee and the role it might play in this whole area.

Our reasons for holding these views have been confirmed by the observations which the Secretary-General has made in his final report on the United Nations Emergency Force, in which he clearly summarizes the essential nature of peacekeeping forces in general. I have noted, for example, his statement that

"in these operations none of the planning and preparation which are expected of normal military procedures can be counted upon"

and his subsequent commentary on the difficulties this creates for the United Nations. I should suggest it is time, 11 years after the decision to organize the first peacekeeping force, that we should be able to count upon at least some of the normal planning procedures which each of us would take for granted in our own countries. Training should be standardized and equipment should be made available when needed, to mention only two items.

It takes no foresight on my part to predict that the United Nations will be called upon again to supply peacekeeping forces or observer groups in crisis situations. Peace-keeping in this organization is not dead because of incidents that occurred within the past few months. It will continue to be a very necessary and useful function for this organization. And that is the reason why we believe forward planning is necessary. Even if continuing disagreement here prevents the United Nations from doing this planning, my Government intends to explore how peacekeeping arrangements can be improved and we should hope to consult other traditional participants in that regard. We want to be sure that, if and when we are called upon to take part, and if it is feasible and appropriate to do so, we shall be ready to respond.

### Peaceful Settlement of Disputes

Unlike peace-keeping, the peaceful settlement of disputes has been neglected too long by us. I was glad, therefore, to read the cogent observations of the Secretary-General in the introduction to his annual report. The peaceful settlement of disputes is a vital concept of the Charter of this organization; it must be an essential technique of modern diplomacy. It is easy to pay lip service, of course, to the concept of peaceful settlement, and more difficult to suggest how in practice it might be implemented. It would be fruitless to expect that, even if there were agreement on the means of implementation, these would always be used. And so I do not raise this subject on the assumption that good intentions are all that we require.

We have a responsibility, on the contrary, to take a close look at the procedures we have used in the past to decide whether they are adequate and, if necessary, to make recommendations for new procedures. In this regard, I welcome the work that has been done by the Government of The Netherlands on the subject of fact-finding. If our discussion of these proposals leads to some constructive result, then we shall have made a good start towards the kind of review I have mentioned.

### Security Council Meetings of Foreign Ministers

May I also suggest that we take up and implement the proposal made by the Secretary-General for periodic meetings of the Security Council under Article 28 of the Charter and, in particular, that a meeting at the level of foreign ministers be held during the twenty-second session, when so many ministers are here? The Secretary-General has said that he would be prepared to suggest a tentative agenda for such a meeting. I should hope that he would be authorized to do so, and I agree that there must be careful preparations for such a meeting. I believe that we must not let this session end without having done everything in our power to find solutions to the problems that divide us, that concern our peoples and that now test the acceptance of this organization in many countries of the world.

### Cyprus

I might appropriately refer in this context to the recent meeting between the Heads of Government of Greece and Turkey on the question of Cyprus and to the steps which have been taken on the island to facilitate a return to



normal conditions. I should urge that those negotiations be resumed and brought to a fruitful conclusion. The peacekeeping force in Cyprus is one with which my country has had something to do and in which it plays a part. We must ask ourselves whether or not the continuation of the force serves in any way as a bar to a settlement. I have been assured that it does not. But it would be encouraging if a political solution to the problem by those concerned could be effected.

### Universality

My Government believes that the objective of universality of membership is one which we should ever keep before us, even though the prospects for reaching that objective may not be bright. I should like to say again what I said on this occasion last year:

"... if this organization is to realize its potential capacities, all nations, and especially those which, like continental China, represent a significant proportion of the world's population, must be represented here."

I say this in the light of the turmoil that exists in mainland China at the present time. Last year I outlined what we considered to be a reasonable basis for the seating of a representative from continental China in the United Nations. While we were disappointed by the response to our suggestions, we continued to believe that they represent a reasonable and just solution of the problem of China's representation. I should also hope that the question of the relationship of non-member states with the United Nations could be re-examined, and I welcome the repetition of the Secretary-General's suggestions on an observer status in his annual report,

When I say that we should welcome, because of our conviction the validity of the principle of universality, the membership of continental China, I should like to emphasize, of course, that, if one supports that membership, one likewise must, as a supporter of the principle of universality, recognize the right of Formosa to a place in this organization.

### Conclusion

Mr. President, I know you will permit me a brief reference in conclusion to the centenary celebrations which are taking place in my country this year. "Man and His World" is the theme of Expo'67 at Montreal. Expo has given Canadians renewed confidence in their ability to accomplish great things together and to solve their own problems by their own efforts. It is an achievement which has fired the enthusiasm of many visitors and helped to reveal to them man's unity and diversity, his shared goals and unique responses. Expo, as we call it, has demonstrated graphically how national styles and national pride can be made subordinate to a larger whole and a wider good. That must also be the first task of this organization: to reconcile conflicting national interests with the common good and on the common ground of the Charter of the United Nations.



CANADA

# STATEMENTS AND SPEECHES

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 67/33

## NEW FRONTIERS IN THE LAW OF THE AIR

Address by the Honourable Paul Martin, Secretary of State for External Affairs, to the Second International Conference on Air and Space Law, McGill University, Montreal, November 3, 1967.

It is a distinct honour and pleasure to address such a distinguished audience. It is also challenging, for in my remarks I have been asked to point out new frontiers in the law of the air.

Your meetings today must have prompted you to reflect on the work of those nations which met in Chicago in the winter of 1944. That was a time when those with foresight were preparing for peace and were recognizing the urgency of radical changes to meet the immediate needs of a vastly different world. Perhaps in no single industry had the effects of war been felt more strongly than in aviation. The war proved beyond doubt the tremendous potential of the airplane, both as an awesome and devastating carrier of destruction and a swift and reliable means of transport. It is said that the Second World War telescoped a quarter century of normal peacetime technological development in aviation into six years. If anything, the pace of this development is accelerating. Due to the ingenuity of the scientist, engineer and businessman, the airplane is now a major instrument of commerce and - what is significant for the lawyer - a creator of major international problems.

Aviation today is mainly an international activity requiring, for safety's sake alone, the most complex co-ordination of techniques and laws. Air law is the result of a compromise between national drives and international imperatives. It is a conglomeration of specific branches of national and international law, both private and public.

Aircraft of one nation travelling through the air space of several states, landing in others and carrying large numbers of passengers, create many problems of conflicting legal systems. Without determined and imaginative efforts on the part of those concerned with air law, it will be increasingly difficult for the law to keep pace with social and technological development.

But I am not saying anything startling, or even new. The facts are obvious. Nevertheless, the extent of the danger due to the unprecedented growth of the industry has been seriously underestimated.

The Chicago Convention of 1944 was a major step towards international legal standardization. It is often called "the Constitution of Air Law" or "the Charter of the Air". At Chicago, the strong Canadian delegation, headed by C.D. Howe, then Minister of Reconstruction, played an active role in support of an international air authority. We were strong proponents of the "freedoms of the air" - a term which the Honourable Adolf A. Berle, then head of the American delegation, attributed to Canada. In fact, "Freedom of the Air", the title of your present meeting, is what the late Mayor LaGuardia referred to at Chicago as the "meat" of the Convention, for it lay at the very centre of the problem of the number of services that ought to be permitted on a particular route and the share of each country should have in these services.

The Chicago Convention was but the first chapter, albeit a successful one, in the work of international co-operation which Franklin Roosevelt described then as part of "a great attempt to build enduring institutions of peace". The Canadian Government continues to subscribe fully to this ideal, for as C.D. Howe said, "if we cannot devise a working system of co-operation and collaboration between the nations of the world in the field of air transport, there will be a smaller chance of our enjoying peace for the remainder of our lives".

We are in an age, as Professor Myres S. McDougal has correctly observed, where the important decisions are taken in direct confrontation between state officials. These officials, often individuals in governmental legal bureaus, value highly the constructive opinions of those who Director Edward McWhinney has described as "the general pundits" of university law schools and scientific legal institutes.

What are the problems of the future of aviation to which we should all address ourselves? The trend today is towards greater aircraft productivity and more and longer passenger trips. This means larger, faster, costlier and more complex aircraft flying more often over greater distances. Foreseeable technological developments include "jumbo" jets, supersonic transports, hovercraft, vertical and short take-off aircraft and, eventually, hypersonic vehicles propelled partially by rocket motors with speed and performance characteristics akin to those of spacecraft. Large investments will be required by all governments and airlines, not only for these more sophisticated vehicles but also for related facilities to accommodate the expected increase in traffic. In Canada, we are acutely aware of these problems and are having to revalue estimates we made only a few years ago. The new Canadian Transport Commission is part of our general effort to improve methods of study and co-ordination in the whole field of transportation, including aviation.

The Chicago Convention was a dual purpose treaty. It contained an international civil aviation code and it established the International Civil Aviation Organization (ICAO). There are now over 115 member states in ICAO. It is a continuing source of pride to Canadians that ICAO should have its headquarters in this city. Every day ICAO assists in matters of co-ordination, technical assistance and education, to help its members with difficulties which



are often beyond their individual ability to overcome. Considerably more could be done, however, to utilize ICAO for the general benefit. Greater use of ICAO machinery for the settlement of disputes should be actively encouraged. The economic necessity of using the large and costly aircraft to their fullest capacity, and therefore of international airlines obtaining traffic rights in as many places as possible, underlines the desirability of having impartial means of arbitrating disputes and a larger degree of standardization and unification in the rules, regulations and laws governing the international use of air space. The international legal implications of aircraft now in the drafting and experimental stages of development also require our urgent attention. Take the hovercraft, for example. Is it a surface vessel or an airplane? The legal arguments need resolution since this vehicle has a potential for international commerce.

In 1964, Canada faced domestically something similar to what is now a common international problem: the competing claims and interests of large airlines. The Government decided that the international air services provided by Canadian airlines should be integrated into a single plan which would avoid unnecessary competition or conflict. This means that outside Canada neither of our two major airlines (Air Canada and Canadian Pacific Airlines) serves any point served by the other. The Government also made it clear that any development of competition in domestic main line services must not put the Government airline, Air Canada, "into the red". In addition, Canadian regional air carriers were given an enlarged role in relation to domestic main line carriers. The application of these three principles has strengthened Canada's position in world aviation. For instance, since 1964 there have been successful negotiations with several countries, designed to achieve international route extensions and improvements for both Air Canada and Canadian Pacific Airlines.

Projecting this domestic example onto the international scene, would be to suggest that perhaps the logical course for public and private international air law is in the direction advocated by the late John Cobb Cooper, the first director of the then McGill Institute of International Air Law, of one set of rules to govern all flight at whatever altitude.

If international air law is to abandon the techniques of bilateral negotiation, with its jungle of complicated agreements based on the narrow application of national sovereign rights, then it could probably take a lesson from developments in the law of outer space. A new frontier for the law of the air figuratively and literally lies at the fringe of outer space. In 1963, the UN Declaration of Legal Principles Governing Activities by States in the Exploration and Use of Outer Space marked the end of the speculative phase in which the "general pundits" conjectured on whether certain maritime and air-law principles of national sovereignty and freedom of the seas were applicable in outer space. Events since then, such as the recent Outer Space Treaty, suggest that a new legal order is emerging - that of the world community acting for the common good and welfare of all mankind.

The main provisions of the Outer Space Treaty are that outer space, the moon and other celestial bodies shall be explored and used for peaceful purposes only. Like the Limited Test Ban Agreement of 1963, it is part of a series of international agreements leading towards general and complete disarmament. Hopefully, more agreements are on the way - a non-proliferation treaty and,

interestingly, an item now before the General Assembly calling for a treaty on the peaceful use of the sea-bed and the ocean floor and their resources in the interests of mankind. First outer space, now the sea-bed and ocean floor. What environment will be next? Air space? What a blessing it would be if by universal agreement the use of the air were reserved exclusively for peaceful purposes, in the common interest of all men.

The main thrust of outer space law is today towards two conventions - one on assistance and return of astronauts and space vehicles, the other on liability for damage caused by the launching of objects into outer space. The implications of these conventions for air law are obvious. Considerable attention is also being given to defining outer space in legal terms. Again, this cannot but affect the law of the air for, apart from drawing a boundary between air and space, there is the related problem of defining spacecraft and hybrid-air-and-spacecraft in legal terms and of co-ordinating international regulations for their use in air space. We must avoid the confusion of having different and possibly conflicting regulations for space vehicles and aircraft flying in the same environment. In this regard, it seems a pity that there is not more contact between air lawyers and space lawyers.

Let us look for a moment at a few problems which will require international legal action. A major problem facing us all in this machine age is noise. We are continually bombarded with noise, and despite our increasingly elastic thresholds of tolerance, jet aircraft have multiplied this attendant disturbance to the point of nuisance. Unless there are some major technological improvements, the larger and faster jets with their greater power take-offs and shallower landing paths will compound this problem. There are several possible solutions: airport curfews, to enable some quiet periods; relocation of airports and runways and restrictions on building near them; and better insulation of dwellings and offices - but each of these national solutions will require some kind of international agreement to be made completely effective. I hope that the fifth Air Navigation Conference of ICAO starting in Montreal soon, will succeed in agreeing on an international standard unit for noise measurement as the first step towards an international agreement on aircraft noise. Perhaps international air lawyers could then produce regulations and provisions for their world-wide enforcement. The time may come when all new aircraft will be required to demonstrate that they do not exceed a set of internationally accepted noise levels.

One of the agreements signed at Chicago was the International Air Services Transit Agreement - commonly known as "the two freedoms agreement" - in which freedom of mutual overflight was guaranteed. Such flights, if at supersonic speeds, promise to disturb and annoy those on the ground under the SST's flight path. Consequently, if overflight is to be permitted, international agreements will have to be reached on the level of the noise from the sonic boom to be tolerated.

Domestically, old common law conceptions of property ownership from the soil upwards usque ad coelum, have been limited legislatively and judicially to meet the requirements of country-wide air travel. To have recognized private claims to air space would have interfered with development of aviation in the

public interest. The extent to which airlines will be able to take advantage of technological progress in aviation, will depend upon the willingness of countries to exchange "freedom of the air" on a multilateral basis.

Another specific problem is that of liability. In 1965, the United States denounced certain provisions of the Warsaw Convention of 1929 limiting the liability of air carriers for personal injury or death of passengers in international air carriage. This denunciation was withdrawn last year when most of the world's major airlines entered into an agreement in which they accepted considerably increased limits of passenger liability. It would not seem advisable, however, that a matter of this nature, which is really one of governmental responsibility, should continue to function for too long as an agreement between carriers. It is time some fresh attempts were made to draft new protocols, perhaps introducing some flexibility in the amount of the limits of liability. I might mention that the draft convention on liability now under active consideration in the UN Legal Sub-Committee on Outer Space will probably adopt criteria of absolute liability for damage caused on earth or in the air space. Urgent thought should, therefore, be given by air lawyers as to how this may affect private international air law.

Still another problem which may require action internationally is that of integration. There is a growing tendency towards private arrangements for international co-operation. There are pooling arrangements, airline unions and various regional efforts at multilateralism, such as the Scandinavian Airlines System and Air Afrique and the proposed Air Union in Europe. The enormous cost of the next generation of aircraft will accelerate the merging process and, in turn, cause further difficulties in the negotiation of traffic rights, particularly if each of these new organizations considers its individual members to be one entity. Many bilateral agreements will become obsolete and require complicated renegotiation. On the brighter side, however, these same joint operational arrangements may well be regarded as useful precedents for future, far-reaching multilateral conventions.

The airplanes of the past will serve the common interests of the future no better than will the law of the past. Therefore, we must effect a breakthrough in legal attitudes every bit as impressive and functional as the everyday wonders in which we fly. More effort should be made by governmental policy makers, by the academic community and the legal fraternity, to insure that international civil aviation realizes its full potential for the economic and cultural development of our world.

There is a requirement for multilateral agreements regulating the scheduled commercial operation of international civil aviation. A serious attempt was made at Chicago in the International Air Transport Agreement and in the forthright proposal by Australia and New Zealand, supported I understand by France, of a plan for the internationalization of civil aviation. We should not, nor if the predictions are accurate can we, continue to say that the time is not yet ripe for such a development. Nevertheless, whatever international arrangements are made, they must ideally, be both fair and functional and allow



for profitable commercial operations and future expansion. Moreover, they should bring to the industry a far larger amount of certainty than that which exists today, thereby enabling airlines and governments to effect more orderly planning and programming to avoid such troublesome matters as excess capacity.

I have spoken mainly in general terms for I realize fully that I am in the company of highly qualified air law experts. To my mind, international air law may well be at an important cross-road. We would probably be wise to use this opportunity to review the path of past practice and to consider "banking" in the direction of common international reform, wherein lie promising new frontiers.

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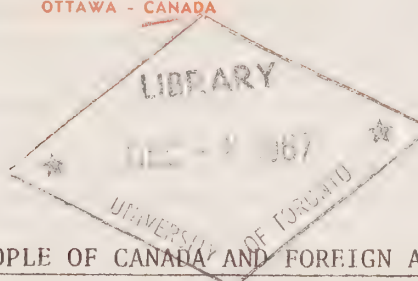
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CANADA

## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/34

THE GOVERNMENT, THE PEOPLE OF CANADA AND FOREIGN AID

Address by the Honourable Paul Martin,  
Secretary of State for External Affairs,  
at the International Day luncheon of the  
Windsor Rotary Club, Windsor, November 6,  
1967.

As the world moves through crises and tensions, the importance of world interdependence is strikingly being driven home: the needs of the slum dweller in Calcutta or of the farmer in the rice fields of Cambodia are becoming increasingly important. We are involved in their emergence from the past and their awakening of hope.

Aid is a two-way process - a partnership between the donor and the recipient. Its goal is to blueprint better futures for many more people, to prepare individuals to operate and further develop the modern facilities being introduced into a society, to awaken inspiration and stimulate dormant talents. Any aid programme is organized by people and must be shaped to the needs of people. Here at the human level is the critical factor on which all else will rise or fall. We cannot deal only with dollars or factories, or facilities. The vital ingredient of progress is educated, healthy, hopeful people.

I know of no better method of reaching mutual understanding and trust among nations than by multiplying our international contacts through people-to-people diplomacy. We need more individual diplomats from Main Street - from our farms, schools, laboratories - from every walk of Canadian life. As John Donne, almost 400 years ago put it, in his "devotions": "No man is an island, entire of itself. Every man is a piece of the continent.... Any man's death diminishes me, because I am involved in mankind: And therefore never send to know for whom the bell tolls; it tolls for thee." This has become increasingly relevant to our generation, inspired and motivated by the aim and ideal of common concern for freedom and security for every man, woman and child on earth.

Entering our second century, Canadians can be proud of their country's opportunity and determination to replace despair and hopelessness with incentive and assistance for those less fortunate than themselves. We are engaged in the

process of unleashing a surge of frozen and repressed energies in communities long dominated by the dead hand of the past. We are contributing to the formation of the "new men and women" who, previously without skills, without education, and without knowledge of twentieth century life may now assume the role of the pioneer builders of their country. Our approach must be conditioned to realities, and to the requirements for improvement, progress and personal rehabilitation in a technological world. That many roads are taken should not obscure the single destination toward which our labours lead.

Canada has always placed great emphasis, in its aid programme, on technical assistance: the sending abroad of Canadian teachers, professors and technical experts and advisers and the bringing to Canada of foreign students for training in our educational and technical institutions. Over 3,100 Canadians have served on overseas assignments. They come from all parts of Canada to give their skills and services - they are truly merchants of hope. They and their families gain an experience and knowledge of the world and its peoples which undoubtedly enriches their own lives. More than 6,200 foreign students have studied in Canada under government auspices. An additional 3,000 have come under the sponsorship of world-wide organizations such as the United Nations agencies, foreign governments or private bodies. We hope they will return to their countries well equipped to be of service in their particular fields and to teach and train others. We also hope that they will have learned about, and come to appreciate, our Canadian way of life, so that individual bridges of mutual respect and understanding will have been built as permanent structures between our country and theirs, furthering both international interdependence and international stability.

In the past, Canadian aid has been given on a government-to-government basis, with the recipient country taking the initiative in its requests for our assistance. On an official basis, we have not been able to entertain requests from private Canadian individuals and organizations wishing to continue, enlarge or initiate projects for which they found their resources inadequate. But, with a deep and sincere concern for the individual and the goal of equal opportunity which aid promotes, we have been anxious to find new methods to help narrow the gap between the rich countries and the poor countries as quickly as possible. Increased collaboration has taken place between the External Aid Office and every sector of the Canadian economy and people: universities, provincial governments, agriculture, forestry, fisheries, co-operatives, technical institutions, business and industry and many more.

In this our centennial year, individual Canadians have expressed, and acted upon, their interest in and concern for the problems facing the developing countries. They have held marches across the country to raise funds for overseas development work; learned more about the important role played by Canadian University Service Overseas; participated in the activities sponsored by the Centennial International Development Programme; discussed international aid requirements in their private clubs and organizations. All this has contributed in a most valuable way to the creation and growth of an informed, active public, stirred to the needs of other human beings and prepared to help fulfil those needs as individuals and as members of voluntary agencies. The tide of interest



has risen among Canadians in all parts of our country. We want to encourage and sustain this ground swell.

As a result, the Government has decided to seek approval from Parliament for the allocation of \$5.0 million from its 1968-69 External Aid budget to provide financial support to Canadian voluntary organizations operating in the field of international development assistance. In this way, they will be able to expand their programmes materially, and their members will receive a greater sense of involvement in the key issue of our times. The Government's assistance should stimulate the activities of the non-governmental agencies and increase the effectiveness of our aid by tapping complementary resources which can best be brought into play through the private sector. It will also help to develop an even wider public base for our aid effort.

The government funds appropriated for this purpose will be extended in the form of project grants and used by the non-governmental agencies for specific projects of a capital, service or programme nature. We will not be providing funds to an organization for its general operating expenses. Until we are approached by organizations with specific programmes in mind, it will be difficult to predict which organizations will qualify for grants. Our support will always be directly related to increasing the extent or scope of Canadian aid activity and not to substituting government funds for available private sector funds. It will normally be on a matching basis and thus have a multiplier effect on Canada's total aid effort.

In announcing this new activity, the Government is saluting and encouraging the Canadian public and their organizations which contribute some \$34.0 million yearly to non-governmental development assistance. I am certain that our joint venture will prove both challenging and useful.

The world today is a scene of intense and rapid change. Strong winds of economic, political and social innovations are sweeping through every corner of the globe, bringing in new institutions, new industries, and technologies, new customs and values, and a whole new, exciting and promising approach towards man's place in, and control of his environment. Taken together, these add up to a revolution comparable to any the world has previously experienced. The difference, and it is an important one, is that the current revolution is one of hope, of knowledge and a new conception of individual worth with a large community.

Effective assistance to nations trying to achieve their own economic and social development may be no less important than making our peace with automation or placing men on the moon. Space-age nations and bullock-age nations make uneasy and uncertain partners, but partners we must be.

The struggle of the developing countries to join the twentieth century is confronting the world with a crisis; the old order has broken up. The only question now is the shape of the future. We must not only think about that future, but plan for it.





# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/35

## CANADA AND COLLECTIVE SECURITY

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the Canadian Club, Toronto, on November 13, 1967.

For the first time since the Canadian Government decided to join in advocating the establishment of a peacetime alliance of North Atlantic states almost 20 years ago, Canada's participation in and contribution to collective-security arrangements have come under some questioning by some responsible and serious-minded Canadians. This development has not been unique to Canada; it has been manifested in most NATO countries. This questioning is healthy. We must and do regularly re-examine our foreign policy and defence commitments to determine whether they continue to serve Canada's evolving national objectives. We have recently reassessed with special care the grounds for participating in collective-security arrangements.

We seek for Canada an independent foreign policy attuned to developing world conditions and carefully calculated to promote our many and varied national interests. To this end, we still hope for the eventual fulfilment of our post-war hopes that we might entrust our security to the United Nations. As a step in this direction, we support the growth of the United Nations peace-keeping role and are ourselves prepared to contribute to it. But we also consider that Canada must continue to participate in collective defence arrangements - which represent the pursuit of peace and security through interdependence.

Western relations with the Soviet Union have been gradually improving ever since the death of Stalin. But the process has been uneven. Think back only five years. Khrushchov was still making threatening speeches. The Soviet Union had been trying for four years to cut West Berlin off from West Germany. Soviet missiles had been secretly set up in Cuba and provoked the most dramatic East-West confrontation of the post-war era. Few questioned then - only five years ago - the importance of collective-security arrangements for the preservation of our common security. Indeed, Western governments responded at that time by increasing their forces in Germany - and this included Canada.

How much the atmosphere has changed in five years - and I am pleased to say, for the better. We now look forward with justified confidence to the possibility of achieving an eventual European settlement by agreement with the Russians. NATO has made and is making an essential and constructive contribution



to this process by facilitating and furthering the relaxation of tension which is now generally recognized as the necessary prelude to a settlement in Europe. A nuclear test ban treaty has been signed, and we are well advanced in negotiations with the Russians over a non-proliferation treaty which will restrict the "Nuclear Club". It is reassuring that our satisfaction at these developments is shared by our NATO allies. We are all agreed on the importance of working for improved relations with the Communist countries.

But in some quarters, in all NATO countries, the implications of these welcome developments have, I believe, been incorrectly assessed. It is being argued that the Western alliance can afford to reduce its defences because the Soviet Union has shown that it will not attack the West. One variant of this argument has it that NATO's forces in Europe are irrelevant because the sole deterrent is the United States' strategic forces.

We have, in the Government of Canada, carefully considered this argument in its various manifestations. We have concluded that dismemberment of NATO's forces in Europe at this time would be risky and even dangerous. In spite of improved relations with the West, the Russians have continued, and are still continuing, to develop their already formidable military power. NATO's defence arrangements in Europe have obliged the Soviet leaders increasingly to accept that there can be no alternative to a settlement in Europe. We cannot be sure that their earlier appetite for expansion would not revive if NATO were to lower its defences.

And what would be the political effect in Germany, if the German Government could no longer point to the military support of its allies represented by the forces of the seven NATO nations which are stationed in Germany? In such circumstances, could we expect a German Government to agree to the non-proliferation treaty?

Nor can we overlook the danger of conflict arising out of accident or miscalculation. The continent of Europe remains divided; and Berlin is isolated 100 miles within Communist territory. In spite of this potentially explosive situation, peace and stability have prevailed in Europe during a period in which wars, large and small, have broken out with distressing frequency in most other areas of the world. This remarkable - and to us essential - peace in Europe is due, in very large measure, to the stabilizing influence of NATO and the Warsaw Pact. And NATO's strength continues to deter the Soviet Union and its ally, East Germany, from exercising their local military superiority to choke off Berlin.

Last summer, Alastair Buchan, speaking at the Banff Conference on World Affairs, expressed his concern over the danger of Western troop reductions in the following terms:

". . . It means not only the end of any flexibility in dealing with European crises; it also means the end of any pretension on the part of NATO that it can protect the security of German citizens in the event of any

form of aggression against Germany, with a consequent lowering of German confidence in the alliance. It also means a distinct loss of bargaining power with Eastern Europe, since there are no signs of reductions of military forces in the Warsaw Pact . . . "

After a careful re-examination of the whole problem since last August, can there be any doubt that, for the present, strong allied forces continue to be required in Europe: first, to preserve stability in that divided continent; and secondly, to promote continuing movement toward improved relations with the Soviet bloc countries? NATO's prudent defensive stance in Europe has contributed to the increasing normalization of East-West relations, and we look forward ultimately to Soviet agreement to a settlement in Central Europe which could be sustained without the presence of Soviet forces. We believe that to achieve these several ends a balance of forces must be maintained in Europe.

Such an approach does not exclude working for balanced force reductions, either by agreement with the Russians or by mutual example. Such reduction could be undertaken without disturbing the present balance and Canada would welcome any progress which could be made in this direction. Indeed, we shall be discussing this matter in Brussels at the NATO meetings in December. If the war in Vietnam were to end, we could make progress toward mutual reductions. Until then and the end of such problems as the Middle East, we shall have to pursue our present policies.

We have also examined the suggestion that Canada consider restricting its contribution to NATO to forces based in Canada. The argument in favour of such a course of action has its attractions. The European nations have grown in military and economic power and are no longer totally dependent, as they were when NATO was founded, on outside aid. Canada's contribution is now, in consequence, relatively far less important to the defence of Europe than it was. But this approach ignores the fact that most of the smaller NATO countries are in roughly the same position as we are: making small contributions which alone are not essential, and under pressure, as we are, to find new sources of revenue for other government activities.

The basis of an alliance is that all members contribute in an appropriate manner. And, since we believe in the continuing importance and promise of the alliance, we see no alternative to continuing to make an appropriate contribution, at the present time, to NATO's forces in Europe.

We are, of course, aware of the attractions of contributing forces to NATO from Canadian territory. In fact, our anti-submarine forces in the Atlantic already represent such contribution, in that at the same time they are committed to NATO and also are an important element in North American defence. With the development of new means of transport, it becomes increasingly possible technically to contribute land forces based in Canada. Moreover, air-transportable forces would fit in well with strategic defence plans which are being developed for



the defence of Europe. However, I do want to add a word of caution. Our existing capacity to transport forces to Europe within a meaningful time-period is limited and sufficient air-lift capacity to transport a brigade group such as we now have in Europe -- even with light weapons only -- would be expensive to acquire. Moreover, any decision to contribute forces solely from Canada rather than to maintain some in Europe must be worked out in a responsible manner with our allies so that the cohesiveness of the alliance and the confidence of its members will not be jeopardized by our action.

Although Europe remains in an important sense our first line of defence, we have had to be concerned about the direct defence of our continent ever since the development of a significant Soviet bomber threat to North America. The main point here -- the inescapable fact -- is that geography has linked us inextricably with the United States. It is almost inconceivable that a Soviet attack would be mounted on the U.S.A. without Canada being involved. In any event, as we cannot know Soviet plans, we cannot in making our preparations ignore Soviet capabilities. No responsible government could do otherwise. I do not care which party holds office -- the conclusion would be the same.

Questioning in Canada about the continuing validity of our air-defence arrangements for North America has recently focused on missile development. Some have argued that with missiles, against which there is as yet no effective defence, having replaced the bomber as the main threat to North America a bomber defence is now meaningless. Others claim that it is impossible to separate bomber and missile defence, and that, to avoid becoming involved in the latter, we should withdraw entirely from the air defence of the continent.

It is interesting, I think, to note that, with respect to North American defence, in contrast with NATO arrangements in Europe, our participation is debated primarily on technical issues rather than on calculations of Soviet intentions. Being technical arguments, however, they are more susceptible of refutation. The bomber threat -- to take the first argument -- is no longer serious because our defences are extremely effective. But the Soviet Union retains over 150 bombers capable of attacking North America. And bombers carry larger loads of nuclear weapons. For example, one bomber could destroy Toronto and go on to destroy Montreal. Therefore, as long as the Soviet heavy-bomber force remains in being, it could become, in the absence of continuing air-defence arrangements for North America, a greater threat than Soviet missiles now are. For this reason, as Secretary McNamara tells us and the other NATO countries, the United States Government will continue to maintain a bomber-defence system. Unless one is prepared for a complete transformation in our relations with the United States, Canada has two options: to make some contribution to the bomber-defence system -- and thereby exercise some control over it -- or to give the United States freedom to defend North America, including use of Canadian territory. I, for one, am not prepared to accept the second.

As for the separation of bomber and missile defence arrangements, now that Mr. McNamara has unveiled American plans for a light anti-missile system, I believe the argument of the critics can no longer be sustained. The American system is to be deployed entirely on American territory and Canada can, if it



wishes, remain outside the system, while continuing to co-operate with the U.S.A. in a bomber-defence system.

I have explained why the Government considers, at the present time, that Canada should continue to contribute forces to NATO in Europe and to co-operate in the defence of North America. But I have also indicated that my early hope that we could trust our security to the United Nations remains alive. Indeed, I look forward to the day when it will be possible to dispense with these two alliances, NATO and the Warsaw Pact. Unfortunately, I can suggest no timetable for this transition, the more so because we can not properly anticipate the course and consequence of future Chinese policy. In the meantime, we must face up to the existing situation and accept the implications.

It is important, even while we are making a continuing contribution to collective defence arrangements, that we should be making efforts to increase the United Nations capacity to improve conditions of security in the world. For it remains apparent that the United Nations, in spite of its present difficulties, still offers the best hope of peaceful intervention in certain circumstances. No one would be stronger in support of the view that no nation, no matter how powerful, has the right to interfere in the affairs of other countries. Ideally, intervention should only be under the auspices of the United Nations itself. But we have to examine the facts as they are and as they are presented to us, on the basis of which we have to act at any given moment. It seems to me that it is in the interest of the great powers to encourage the United Nations to play this role, which reduces the risk that they themselves might become involved. No nation is the representative of the conscience of mankind; the United Nations remains the only international organization which, in most circumstances, is acceptable as an impartial outside presence.

But we must not lose sight of the limitations recently pointed up by the withdrawal of UNEF from the Middle East. Nor is it likely that the UN, in the foreseeable future, will undertake to mount combat operations along the lines undertaken either in Korea or the Congo. The limited consensus obtainable at present among the great powers, and also the increased wariness which "third world" countries have shown with regard to UN peacekeeping operations, apply likewise outside the UN framework.

Accordingly, while we can expect some demands on the UN to undertake further peacekeeping operations, we anticipate that, in the near future, the scope will be limited. In our judgment, the field is sufficiently restricted that it would not alone offer a basis for a responsible contribution to the maintenance of peace and security in the world. Hence, even if we disregard the case which I have put for Canada continuing to make a contribution to collective defence arrangements on a continuing basis, I could not, in good conscience, suggest that Canada could make an appropriate contribution to world security by concentrating at the present time only on participating in peacekeeping operations.

Finally, a word on the argument that Canada should reduce its defence arrangements and contribute any funds that would be saved to our external aid programme. I do not wish to appear to question the importance of foreign aid. Indeed, the present Government has significantly increased Canada's foreign aid during the last few years. But a responsible government, in seeking to reconcile national interests which may involve competition for limited resources, strives to find that balance which best promotes those interests.

Are we aware of the evolving balance between military expenditure and foreign aid which has in fact taken place over the years? In 1953, 9 per cent of Canada's gross national product was devoted to defence expenditure. By 1966 this figure had fallen to less than 3 per cent -- a threefold reduction. During this same period (1953 to 1966), allocations to Canada's external aid programmes increased from under \$30 million to over \$300 million -- a tenfold increase. Changes of expenditure of these orders of magnitude surely reflect important changes in balance, but we must be careful not to allow the balance to develop in such a way that Canada is not carrying its share of the defence burden.

The world is becoming increasingly interdependent. The accent, for the great as well as for the lesser powers, is on co-operation and interaction. But the object of policy remains the promotion of national objectives. The effectiveness of national policies should be judged not by the apparent "independence" shown but by the extent to which they promote the whole range of national interests. And it is our belief that pursuit of these interests requires of us a contribution to the defence of our country, our continent and the Atlantic Community, and that it is only on this basis that we can have a foreign policy which is both independent and effective.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/38

### CANADA AND HUMAN RIGHTS

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the Biennial Convention of the Canada Ethnic Press Federation, Winnipeg, November 24, 1967.

Tonight I should like to talk about human rights both in the domestic and international contexts.

To define human rights and then to assure their realization around the world are among the greatest tasks which face mankind. The dignity of the individual, the rights of ethnic groups, peoples and nations stand on a par with the economic development of our planet and the abolition of the nuclear threat as fundamental goals for us all in the twentieth century. Failure to achieve any of these goals bodes ill for world peace and stability.

What are some of the questions which might be asked about the protection of human rights in Canada? Are we safeguarding the rights of Canadians "without distinction as to race, sex, language or religion"? My answer is "yes", although I know that there have been problems in the past both as to the interpretation and implementation of the liberties of all Canadians. Official policy, however, is clear and individual attitudes have been, on the whole, forthcoming and tolerant when compared with the policy and action of other countries. One strong indication of the freedom enjoyed in Canada lies in the continuing flow of people to this country from around the world. Would literally millions voluntarily choose Canada if this were not a free democratic and open society?

In examining human rights in Canada, I should like to discuss three relevant issues: immigration, the national unity debate and the multi-ethnic nature of the country.

Traditionally, this country has sought to increase its population through immigration, thus providing new skills, new ideas and new enthusiasms. One of the results of this policy has been the rapid growth since the turn of the century of a population with origins other than either Britain or France.

The census statistics for 1951 and 1961 reveal certain significant patterns. Out of a total population growth of 4,228,818 over the decade,



1,080,620 -- or 25.5 per cent -- resulted from immigration.

During this period as well, important changes occurred in the distribution of the total population by ethnic groups.

In 1951, 47.9 per cent were British, 30.8 per cent French and 21.3 per cent from other ethnic origins. In 1961, the equivalent breakdown was 43.8 per cent, 30.4 per cent and 25.8 per cent, respectively. It is noteworthy that a 4.5 per cent increase in the proportion of the population of other than British or French origin took place in this time-span. In view of the changes made in the Immigration Regulations since 1961, I believe that we can expect a continuation of this trend.

With a constant and large flow of immigrants entering Canada each year, what happens to immigrants is a vital concern for all of us who are interested and involved in forging a strong and united Canada.

We have learned from the postwar movement of peoples that the role which an immigrant plays in his new country depends upon many factors: his legal rights, his occupational qualifications in relation to employment opportunities, the attitude of the receiving population, and his own psychological reactions to this new environment. As Canadians, we must ensure that these legal rights are guaranteed, that suitable employment opportunities are available, that newcomers are treated as equals, and that the immigrant is helped in adjusting to his new environment.

We are in the midst of a vital debate in this country on our future. In our centennial year we have reason to be proud of our achievements in many fields. Our prospects for growth, prosperity and increasing world influence are excellent. At the same time, however, 1967 has brought to the fore some basic issues which must be faced squarely by every Canadian -- whatever his ethnic origin, whatever his place of residence, whatever his occupation. The question of unity involves us all.

French Canada has now awakened to embrace the technological and social advances of the twentieth century. This awakening has altered the terms in which we can look at Canada's future. The French-Canadian has not changed his sense of community -- it is just as strong as it ever was; but his ability to promote the interests of his community has greatly increased. Thus Canadian unity cannot imply a homogeneous society -- the attempt to create such a society would be the surest way to lead to the disintegration of our country.

The people of Canada, I think, appreciate this reality and are prepared to seek ways of incorporating it into the conception of a greater Canada. There are two objectives. The first is to ensure that French Canada can survive and grow as a distinct community within Canada. The second is to convince French Canada that it has an essential role to play in building a united Canada.

The achievement of these two objectives -- in reality the inculcation of that worn but still indispensable expression "unity in diversity" -- requires of all Canadians the highest qualities of understanding, sympathy and goodwill.

The situation vis-à-vis French Canada is only one dimension of the unity question. Equally important is the recognition of the multi-ethnic nature of Canada. Unfortunately, the vocabulary of politics is insufficiently rich to provide us with precise terms to describe its many complex conceptions. So often we must resort to analogy and metaphor more appropriate to the physical than the political world -- we speak of the "mosaic of Canada", its "patchwork quality", the "flower-garden", the "rainbow" or the "kaleidoscope". These similies, although much overworked, do give us a picture of the plural nature of our society.

Although the vocabulary of Canadian politics is imprecise, and necessarily so, there are some basic points which should be clarified.

For example, there must be no confusion in our minds about the meaning of the terms "English Canada" and "English-speaking Canada". Of course, no one for one moment would deny the influence of Britain -- or more specifically of England -- on the institutions and cultural mores of Canada. Regardless of our origins, we all share the benefits of this political, legal and social heritage. At the same time, however, this country has been shaped by its North American environment and by the contribution of people -- as groups and as individuals -- from scores of countries around the world. In addition to the specific gifts which each ethnic group has brought to Canada, the presence of many ethnic groups has given it a character which makes the term "English Canada" completely outmoded in 1967.

As far as the expression "English-speaking Canada" is concerned, we use it for want of a better term when describing the majority of Canadians who are not French-speaking. It is not intended to denote a monolithic English-speaking entity. And in no way should it be interpreted as reflecting a lack of regard or concern for the cultural rights of the large number of Canadians whose mother tongue is neither English nor French.

It is difficult to predict how our society -- which contains two broad linguistic communities, which is British in many of its institutions, which is heterogeneous in its cultural make-up and North American by geography -- will develop. I can say, however, that it is the Government's intention that the country's development will take place freely. In our view, the interplay of various cultural forces will create a Canada in which there will be strong unifying factors existing alongside equally strong factors of diversity. But diversity does not mean division. In Canada, diversity is the guarantee of, not a threat to, our national existence.

Not only individuals have linguistic and cultural rights. Recent trends suggest that there is growing international recognition of the idea that



there are group rights to protection of language and culture. This more liberal concern over the existence of cultural groups is reflected in the UN conventions on human rights. Canada cannot stand aside, no province can stand aside, from the movement for the acceptance of these broad international norms pertaining to the rights and well-being of groups within larger societies. Canada must remain in the forefront of the drive to recognize and implement these rights.

Enshrined in a united Canada must be the conception of the free individual. In the final analysis, whatever the place of groups in the development of Canada, it will be individual Canadians in a free society who will build Confederation in our second century. The rights of all Canadians must be preserved, strengthened and guaranteed not only in official documents but also in the acceptance, tolerance and encouragement of their fellow citizens.

The international struggle for human rights is based upon the Universal Declaration of Human Rights -- one of the great landmarks in the search for a more enlightened and humanitarian civilization. This document, proclaimed by the United Nations on December 10, 1948, was created through the common resolve of the representatives of a large portion of the world's peoples.

Its fundamental purpose has been to affirm that the responsibility for the protection of human rights is a formal and permanent obligation of the international community of nations. The Declaration deals with civil, political, economic, social and cultural rights. While it is not legally binding on member states of the United Nations, this solemn Declaration has exercised considerable influence on the rights accorded to people of the world. Undoubtedly, this document had an important influence on the Canadian Bill of Rights.

The United Nations has proclaimed 1968, the twentieth anniversary of the Declaration, to be International Year for Human Rights. To give real meaning to the Year, the United Nations, among other things, has called upon member states to intensify efforts in the fields of human rights legislation and public education.

As I said at the United Nations a year ago: ". . . the most useful contribution Canada could make would be to subject our own record, our own practices, to critical examination, drawing on all the resources of the community for this purpose. Complacency is a disease from which we all suffer. So our objective will be to remove the vestiges of discrimination . . . and to strengthen the protection of human rights and fundamental freedoms by a continuing process of education and by subjecting violations to exposure and public attention. I am confident that we shall be able to carry out a programme of this kind successfully because of the enthusiastic support for the cause of human rights which is displayed by voluntary bodies in Canada. . . ."

I understand that many voluntary organizations are now developing International Year programmes. A Canadian Commission for International Year was organized this summer to assist the private sector plan 1968 programmes. This Commission is an independent, voluntary agency aimed at stimulating International Year observances.



It is also assuming responsibility for organizing a national human rights conference in the late autumn of next year.

Many Canadians retain a profound and active interest in the lives of their kinsmen in other lands. Where the fundamental human rights which we enjoy in Canada are denied in countries from which many of us or our forefathers came, it is natural that we should wish to see those rights more widely shared. And it is constantly debated how this can best be done. There may still be some who talk of "roll-back" or "liberation" by force -- who would be prepared in effect to risk the destruction of mankind in pursuit of a freedom which nobody would live to enjoy. But this is a discredited and futile approach, to which there remain few adherents.

Others, more realistically, favour the pressure of public opinion or international bodies and diplomatic contacts to persuade reluctant regimes to grant concessions. There are times and places when pressure of this sort can yield positive results. In practice, however, this approach requires careful timing and often lengthy preparation if it is not to be counter-productive. It is not a lever which can be used indiscriminately. Nor is its effectiveness increased by those whose main purpose is less to advance human rights than to embarrass regimes which they oppose. At best, this method will often be only a palliative, unlikely to lead to any permanent change of heart.

If we are to achieve more lasting results, we must be prepared to pursue an indirect policy. There is now a process of social evolution through which individual freedoms are being slowly extended in countries where ten years ago the prospect seemed bleak indeed. Canada has had an effect on this process by encouraging contacts which have helped to dissipate hostility. We have demonstrated that freedom is not a dangerous weapon and that, in offering to deal with the peoples of the world and whatever governments they may have, we are not conspiring to overthrow the established order in countries where freedom is still suspect. We cannot look for human rights under governments which feel themselves threatened. Nor, in the long run, can we induce such governments to extend the area of human rights against their will. What we can do is foster the will, and I believe that there is now ample evidence that such a policy can succeed.

The media of mass communication are important instruments in promoting knowledge and understanding of human rights issues, and the ethnic press in particular has a vital role to play in this respect. You have the task of encouraging your readers to preserve their cultural values, thus enriching our whole society.

As pointed out at a UNESCO Conference held some years ago, an important problem to which you might address yourselves is that of the different rates of cultural adjustment of the various age-groups in immigrant families as a factor in family tension. Here the ethnic press has a special part to play, for it enables parents to retain cultural contacts they hold dear, while increasing their appreciation of the Canadian environment.

However efficient educational services for adult foreign-language migrants may be, many newcomers do not acquire real proficiency in the English or French languages. A sizeable percentage of them will obtain knowledge sufficient only to cover immediate economic needs and other essential aspects of daily life. The role of the press in the migrants' own language, therefore, has two perspectives -- one as a means of retaining a needed link with the culture and developments in the country of origin, the other as a means of extending the migrants' understanding and knowledge of Canadian ways of life, customs and values.

A responsible ethnic press, therefore, can be a major factor in bringing about healthier intergroup relations and strengthening the fabric of Canadian society. I feel confident that you are playing -- and will continue to play -- a significant part in helping Canada set an example for the nations of the world in demonstrating how diverse cultures can flourish together in peace and harmony.

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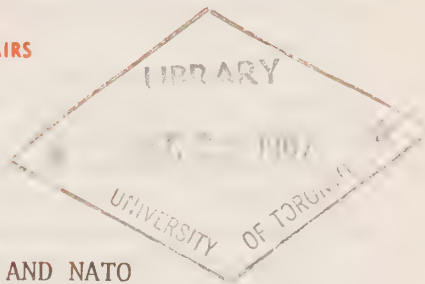
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CANADA

## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA



No. 67/40

### AN ERA OF CHANGE FOR THE COMMONWEALTH AND NATO

Speech by the Right Honourable L.B. Pearson,  
Prime Minister of Canada, at the Mansion House  
Luncheon, London, England, November 27, 1967.

. . . I've already expressed my feelings, my Lord Mayor, at becoming a Freeman of this great city and joining the roll of illustrious men and women, some of whom you have mentioned. I think of London as the heart of Britain, just as I have always thought of Britain itself as a repository of steadiness and good sense in a world where these qualities are, more than ever, needed.

Nor do I forget that Britain remains the centre of our Commonwealth of Nations. This association of free states is going through difficult times. But no international arrangement or system offers a more hopeful example of the kind of flexibility and adaptability that is required internationally to meet the challenges and the demands of today's sweeping changes and new conditions.

Both Britain and Canada can take pride in the development of the new Commonwealth out of the old Empire and the earlier Commonwealth -- a development which, as you know, has now reached the point where we have an association of, I believe, 27 member states from every part of the world, varying greatly in size, in power and in wealth - different creeds, different forms of government, different ways of life. But the Commonwealth, with all its frustrations but with all its promise too, has established a bridge between these different cultures, these different races, at a time when there aren't many bridges of this kind left in the world. Some parts of the bridge seem at the moment to be rather shaky, but that means that we should not scrap the bridge but that we should strengthen it and thereby increase its value to ourselves and to the world.

While the Commonwealth is now of special importance because there is racial and geographical variety, its heart and its soul remain here in London. Without the vision and leadership of Britain, the Commonwealth could not have evolved from Empire in the way it did. Without the goodwill and support of Britain, and the older members of the Commonwealth, including my own country, the Commonwealth will not survive. If it should fail, let the failure not be through any fault of understanding, patience or effort on our part.

Britain's role in the transition of Empire into Commonwealth is only one reason why as a Canadian I'm proud of our British heritage, and, as I have



already said earlier this morning, why I honour our British traditions. I do not forget how much Canada -- indeed, how much the world -- owes to this mother country, how much we owe to its institutions, based on law and justice and freedom, which are the source of so much of our own strength.

Britain has a constructive and indispensable role to play in the world of today and tomorrow. Current financial and economic difficulties should not be permitted to obscure this fact. We in Canada have watched with sympathy and concern the efforts made by this country in recent years to resolve these difficulties. We have helped when we could and when it was required. We have, for instance, shared in the co-operative arrangements to support sterling when such support was necessary, just as Britain helped to support our dollar in 1962 when it was necessary. We have worked together to fashion means to improve general international liquidity in the future, and recent events have underlined the importance of this task and how essential it is that it should proceed and should succeed. Recent events have also exposed some of the obstacles in the way of such success which should be removed. Our two countries have also taken leading roles in the series of negotiations in the past two decades that have brought successive reductions in trade barriers, culminating in the Kennedy Round arrangements, which we are at the moment hoping to implement.

The economic problems you face today are not unique to Britain. They confront, in varying degrees and at various times, all states. Britain has had longer experience than most of us in finding solutions; often they have had to be improvised for these problems. We've all benefited in the past from your practical genius in the art of government, in its economic as well as its political aspects. I am confident that this genius - with the hard work that alone makes genius effective - will enable Britain to overcome present difficulties.

I hope, also, that we shall all learn something from these difficulties, because their significance goes beyond your boundaries. In particular, we should now realize, if we didn't realize it before, that co-operation between nations, in finance, monetary policy and economics, is almost as important as it is for defence and security. And its breakdown can be almost as disastrous.

In my own country (and not for the first time, as anyone familiar with Canadian history knows), we are also facing problems -- economic problems, financial problems, but especially problems of federalism and national unity. They are our problems, to be solved, as they will be solved, by us and not by outside intervention in our domestic affairs. Let me add that no country in the world has the possibility of a greater future than ours, and no country is more likely to realize that future.

We are trying to find a strong and enduring foundation for political unity and individual opportunity within social, cultural, and geographic diversity. And it's not an easy problem to solve. But this search is not confined to Canada. It is part of the larger search for new dimensions of individual freedom and personal opportunity in a world where man's fantastic technological and scientific progress has only emphasized the primitive character of so much of his social and political behaviour. That is why I believe it to be a chief purpose of the members of the Commonwealth today to work together in the knowledge that the fundamental needs and aspirations of man are universal - whatever his language, whatever the colour of his skin, whatever his race or his country. And this

purpose, as I have just said, is wider than our own country, wider than our Commonwealth. It encompasses the family of man, and its full recognition should be the basis of international relations on this small and crowded planet. But the contemporary world gives little evidence that such a basis is likely to get general acceptance in the immediate future.

We had a vision of what might be done at San Francisco in 1945. That vision soon disappeared. And the cold war came and destroyed the hope that the United Nations would soon ensure freedom, fraternity and security for all men. As a second best, you remember, we formed a regional coalition spanning the Atlantic Ocean - a coalition through which member states could work together for political co-operation and collective defence. This was another postwar dream, this Atlantic dream - the building of an Atlantic community of inter-dependent states willing to pool their sovereignty in the interests of their security and their progress.

We ask ourselves why has NATO not realized more fully these hopes and these aspirations. Well, I might mention one or two reasons - there are many - for this. NATO concentrated on the single, if vitally-important, task, of collective military defence. It was not able to take effective measures for collective political action. National decisions were rarely subordinated to collective decisions, or national policy to collective policy. The United States, whose power dominated the alliance, largely determined the strategy and policy on which collective defence was based. The other members, it should be added, would probably not have acted differently if they had had the same super-power.

France, in due course, repudiated the whole ideal of collective security, falling back on the old and, as I believe, discredited, doctrine of national defence by national action - co-ordinated, if you like, in a military alliance, but with national sovereignty unimpaired. There are governments that still think that nationalism is not only sacred, which it is, but is sufficient, which it is not, and that national problems can be solved within purely national terms of reference. The lessons of history are depressing because they are usually learned too late, even by those who have suffered most from the failure so to learn.

There are other reasons for NATO's inability to realize its full collective potential. One of these, paradoxically, is its success in helping to lessen the fear of an attack on Western Europe. This reduction of tension and fear is not only a tribute to NATO, it's a danger for NATO. After all, fear was the father of the North Atlantic Treaty. And now, with the European member states stronger and more confident, with the Eastern European members of the Warsaw Pact more independent, the Soviet supremacy in the Communist world challenged by a bitterly hostile Peking, collective security, though essential as ever, has lost some of its immediate urgency. Fear of attack has lessened so we may feel that it is safe to relax.

The European -- indeed, the whole world -- situation has become fluid. The polarization of all power between the U.S.S.R., determining the policy of the Communist world, and the U.S.A., dominating that of the democracies, has been altered on the Communist side by Peking and on the Atlantic side by Paris, which



hoped to develop a strong and independent European third force of which it would be the leader.

In short, the political and military realities on which NATO was originally founded have changed. The threat to Western Europe was, if not superseded, at least supplemented by tensions and conflicts in other parts of the world, in the Middle East, in Africa, and, above all, in Southeast Asia, where these tensions exploded into bloody and confused war in Vietnam. There was no Atlantic solidarity in policy for these areas and, to this extent, NATO ceased to meet the vital requirements of some of its members.

NATO, in short, having accomplished its original strategic purpose, as it did (and thank God that it did), has not yet been able to adapt itself adequately to changing conditions both strategic and political. But the need for such adaptation is recognized and is now being faced. If any changes are to be effective, they must take into account the fact that Western Europe has emerged from the postwar condition of political and economic weakness into a position of strength and confidence, grateful for the American support and assistance which has done so much to bring this about but with the desire for a greater share in the control of the alliance and its policies.

Undoubtedly, a greater immediate menace to NATO is the threatened conflict between two of NATO's members, Greece and Turkey, over Cyprus, which is a member of the Commonwealth. It is to be hoped that this conflict, senseless as it would be, can be averted. I think it can, on terms honourable and acceptable to the three governments concerned. We have more hope than we had a day or so ago that this can be done. If it were not averted, then armed conflict between two NATO members, using military equipment provided by other members for other collective defence purposes, could have a fatal effect on the NATO alliance.

One other point. If arrangements are agreed on to avert conflict which call for a stronger United Nations force (and both our countries are serving in that force now) to supervise their carrying-out and to maintain security on the island during that period, then these arrangements must also provide that this United Nations force has the necessary authority and support to discharge its mandate. We must not again have the United Nations force called on to discharge a new responsibility without adequate means for that purpose - political, juridical and military.

I have been talking about NATO and a changing Europe, and a changing world. These changes are not only a challenge for NATO. They are, as I see it, also a challenge for progress toward a European unity which would include Britain - a Europe with a political, economic and defence role of its own, but one which should remain closely associated with the United States and Canada in a European-North American partnership.

The idea of a strong and united Europe is surely a wise one, but only if it can be worked out without isolation from North America. That is why, as I see it, Britain should be a central and integral part of the new Europe, politically and economically. I see this as something which need not weaken ties across the Atlantic or with the rest of the Commonwealth. I see it rather



as something which would help prevent Europe from becoming an isolated third force. If you like, I see Britain in the role of link between Europe and America, the position which has so often been given to Canada in relations between this country and the United States. Maybe we can give you some advice on how to perform that role! Feeling this way, I naturally think it is wrong and unwise for any European country to oppose or put unnecessary obstacles in the way of Britain playing a full and constructive part, as I am sure it would be, in the evolution of a united Europe. . . .

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/41

## THE PUBLIC AND CANADIAN FOREIGN POLICY

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the Faculty of Law, University of Ottawa, December 4, 1967.

It is the undoubted responsibility of the government in a democratic society to provide leadership in the conception and implementation of foreign policy. This responsibility is an extension of the role played by the government in all areas of public policy.

But in a democracy, foreign policy cannot be the sole prerogative of government. The public has an integral part to play. As Mackenzie King once wrote, "where there is little or no public opinion, there is likely to be bad government, which sooner or later becomes autocratic government".

Tonight I should like to discuss the role of the individual in relation to government in the development and execution of Canadian foreign policy.

The Canadian public - both individually and collectively - is becoming increasingly knowledgeable and articulate on international issues. It was not always so. Even in the recent past, the interest of Canadians was limited, and where it did exist, was concentrated on one or two traditional issues which affected us directly. In the period before the Second World War, for example, André Siegfried, the French observer of Canadian society, could comment that, "in so far as the Canadians are concerned, collective security (a major issue in the League of Nations at the time) is only a conviction de luxe". There were opportunities for discussion but debate was desultory and detached. Canadians thought that they could afford to look at their country as a "fireproof house"; that they could call Europe disdainfully a "continent which could not run itself"; that they could give their attention only to imperial and North American relations.

The change in public attitudes and knowledge since 1945 has been dramatic.

There are many reasons: First of all we learned hard lessons in the Second World War about interdependence in a rapidly changing world. We see the shortsightedness of trying to avoid realities and responsibilities. Second, having secured our status as an independent country in the inter-war period, we have been able, in the past 20 years, to develop an independent foreign policy



on global issues. Third, communications technology has exposed us to the views and problems of other countries around the world. Television, in particular, has given us an image of the world which we cannot ignore. The prospect, for example, of live coverage of war through satellite communications cannot help but affect Canadian attitudes toward international conflict. Fourth, Canadians individually and in groups have become involved in the international process to an unprecedented extent. For example, expanding foreign trade has taken Canadians as buyers and sellers beyond traditional markets to deal with all parts of the world. Our diplomatic service, which maintained seven posts abroad in 1939, now has more than 80. Other government officials travel to establish contact with their counterparts in innumerable subjects of foreign policy. The arrival of immigrants in the hundreds of thousands annually has created personal contacts with scores of countries. Postwar affluence has made Canadians as tourists among the most travelled people in the world. Our aid programmes since 1950 have sent almost 4,000 Canadians to far-away lands as teachers, experts or advisers. And, finally, Expo 67 has played a big part in putting Canadians in touch with "Man and his World". In sum, this great number of personal contacts has laid the basis for wide public involvement in foreign affairs. Increasingly, Canadians care about world problems as in the past they cared only about domestic problems.

I am particularly pleased with the mounting interest of French-speaking Canadians in Canada's external relations. The Government has given practical expression to this interest in many ways -- for example, through support for the conception of "francophonie", that is, "developing closer links and more exchanges, particularly in the cultural and related fields, with those countries which, like Canada, share the heritage of French language and culture". Indeed, a full division in my Department is now looking after this important subject in collaboration with other official bodies.

It is the policy of the Canadian Government to give full expression, in its international relations, to the bilingual and bicultural character of our country. The development of our ties with the "francophone" countries, which we have pursued vigorously over the last few years, represents a new and valuable dimension of Canadian diplomacy. We wish to participate actively in any effort to find an effective framework for further co-operation among francophone states.

If your interest in foreign policy has developed only since coming to university as students, these changes may not be apparent to you because, for some time now, Canada has had a strong role to play in the search for international peace and security, the advancement of our national interests and the improvement of international living standards.

Public concern is a natural development in a democracy. It is also a necessary development. The Canadian Government welcomes the surge of interest and participation by the citizens of the country in foreign affairs.

It is the right of free citizens to express their views in a field which is as important to them personally as any domestic area. In fact, the relations between states encompass many of the activities of government at home, such as trade, finance and cultural activities, so that, in some ways, foreign affairs

represent an extension of domestic concerns. There is nothing remote about foreign relations.

Another reason for public interest in foreign policy is that, unless a reasonably large group of citizens without particular axes to grind expresses concern about foreign-policy issues, governments could be excessively influenced by special interest groups whose approach is narrow.

Of course, a price is paid in a democracy for the involvement of the public in foreign policy -- it is not, however, a high price given the importance of this involvement. The price is what James Reston, the American columnist, has described as playing an "open hand" in the poker-game of international negotiation with authoritarian societies whose card-hand is kept closed. Public debate at home can restrict the flexibility of negotiators in their discussions with other countries.

It is worth noting that "wide interest" among the general public should not be interpreted as universal interest. Surveys in other democratic and developed countries have suggested that only about 25 per cent of the adult population sustains an interest in international issues. Even with education programmes, the percentages do not seem to have risen greatly. Thus it would be Utopian to expect the entire population to be vitally interested and knowledgeable on foreign policy on a continuing basis. To quote an astute British observer of the international scene (Max Beloff), "the problem of the modern foreign minister, seeking legislative and popular support, is often how to get people to absorb more information rather than to keep information from them".

But this does not preclude deep concern on a particular issue at a particular time -- for example, the war in Vietnam. In all probability, the poll taken across the country last summer which indicated that foreign policy topped the list of important problems for more Canadians than any other single issue reflects the deeply-felt concern among large numbers of Canadians about the continuing conflict in Vietnam.

The Government shares this concern and has been working in every possible way in the international effort to end hostilities. Unfortunately, all attempts that we and others have made to find a feasible "de-escalation equation" -- that is, a mutually acceptable pattern of steps to be taken by both sides more or less simultaneously -- has not succeeded in winning the agreement of the parties concerned.

As a result of our diplomatic soundings over the past year and a half, we have become convinced that the key to de-escalation and the creation of an atmosphere in which talks could take place is the cessation of the bombing of North Vietnam.

There is, of course, no absolute guarantee that a suspension of the bombing will necessarily and immediately bring about a beginning of talks. It seems to us, however, that if the bombing were suspended unilaterally, an entirely new situation would emerge in which considerable international pressure might be brought to bear on the North Vietnamese to enter into negotiations or preliminary talks, especially since they and their friends have placed such heavy emphasis on this point. An inflexible position on the part of the North Vietnamese in the context of a situation in which the bombing had stopped would place a serious responsibility on them for a continuing impasse in this tragic war.



Calling publicly for a cessation of the bombing, we have made it quite clear that the obligations for restoring peace are reciprocal and that it would be totally unrealistic to place the whole burden of responsibility for making essential concessions on only one side, namely the United States. Unless the decision to suspend the bombing were to lead to some tangible concessions by North Vietnam, the chances of any resultant talks producing fruitful results would certainly be diminished and the danger of a reversion to military measures, perhaps on an intensified scale, would have to be taken seriously into account.

I should hope and expect that North Vietnam itself would see the force of this argument and that those countries which have particularly close relations with North Vietnam would also use their influence constructively in the interests of peace so that a beginning to a peaceful settlement could be made.

There are two points which I consider essential in the relationship between public and government. The first is that any citizen who has views on foreign policy should have an easy opportunity to discuss them publicly and to communicate them to the government. The second is that the government should ensure that the public is brought into its confidence, is provided with information and is given a chance to increase its knowledge about foreign affairs. I think that both these conditions are being met in Canada. Thus, in an area such as foreign aid, the Government, having set out goals which we hope Canada can reach in four or five years, is working to ensure that public opinion will accept and endorse the financial programmes required to meet the needs of less-developed countries. Canadians are responding to the policy of rapidly expanding foreign aid and seem increasingly aware of the opportunities for Canada in development assistance.

Individuals affect Canada's foreign policy in two major ways. First, they participate in person-to-person or group-to-group activities, such as trade or tourism, which in turn have implications for official policy. Second, the public influences government policy by the presentation of its views on various issues through personal discussion, the communications media, lobbying and other methods. Although the effect of any of these methods is difficult to establish with precision, there is no question in my mind that public views on international matters are an important factor in the evolution of government policy. Without abdicating its responsibility to give a lead to the public, the Canadian Government is both aware of, and responsive to, public opinion.

If public opinion is free, comment on government policy will be critical as well as commendatory. This is to be expected. In the Canadian context, critical comment is seriously studied in the Government's own review of foreign-policy questions.

Let me give a specific example. We regularly re-examine our defence commitments to determine whether they serve Canada's national objectives. Partly as a result of a healthy questioning by some Canadians, we have recently re-assessed with special care the grounds for participating in collective security arrangements. The conclusion which we have reached is that we should continue at the present time to make an appropriate contribution to collective defence arrangements in NATO. But the point which I want to make here is that the Government is alive to public concern on an important subject such as collective defence and is prepared to give serious consideration to the views of individual Canadians on it.



Discussion of the role which individuals can and must play in the development of Canadian foreign policy leads naturally into consideration of the rather special position occupied by members of the academic community.

University professors traditionally, and university students more recently, have taken an active part in the Canadian foreign-policy debate. Many members of the university community have made thoughtful and valuable contributions to the development of our external relations. It is recognized, of course, that the university community and those charged with day-to-day responsibilities have a different approach and outlook on foreign policy. In my view, however, the formulation of foreign-policy ideas by both government and academics must be carried out with two points in mind: first, that foreign policy is a complex and continuous process and, second, that Canada is not alone in the world. The views and positions of other independent countries must be taken into account in the formulation of our policies. These two points are not always given sufficient importance.

Canada cannot afford a dialogue of the deaf, or even of the hard-of-hearing, between the Government and the university community on foreign policy. We must encourage an interaction of the two -- each with its own role and contribution.

In an effort to foster increased contact of a positive kind, we established an Academic Relations Section within the Department of External Affairs earlier this year. The Section has been examining various means by which co-operation between the universities and the Government can be extended.

The activities of the Section are aimed at development and expansion of a stimulating and mutually-beneficial environment in which the universities will be able to make a positive contribution to our efforts to maintain and develop further a foreign policy which serves the interests of Canada and the world. We have already taken steps to have more Departmental officers available for discussions of foreign policy with university audiences, and we hope that the universities will increasingly give us the benefit of their growing expertise in international relations and area studies.

Another proposal, at present under consideration, is the suggestion that experienced foreign service officers be periodically released for temporary attachment to universities, perhaps along the lines of university sabbatical arrangements. This would have the double advantage of making the officer's experience in the practical conduct of Canadian foreign policy available to faculty and students, while exposing him to the ferment of ideas found on university campuses and giving him time to do research and reading away from the pressure of day-to-day problems.

Our policy is not intended to stifle criticism. Nor do we want university students and professors to pull their punches.

On the contrary, we hope that even more ideas will be suggested by the universities as an increasing contribution to Canadian foreign policy.

After four years as Secretary of State for External Affairs, I am convinced that the interplay of government and individual in the development and conduct of Canadian foreign policy has been constructive and, on the whole,

harmonious. Our national debate on foreign affairs has led to policies which have served the country's interests and reflected a broad consensus in all parts of Canada. The dialogue between the individual and the government, in all the ways I have described, must continue in the future -- not only continue, but grow. In foreign affairs as much as in domestic affairs, our free and democratic society depends on it.

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## STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/42

### FRENCH-CANADA AND THE FUTURE OF CONFEDERATION

Speech by the Honourable Paul Martin, Secretary of State for External Affairs, to the Club Richelieu-Montréal, Montréal, December 7, 1967.

Canada and Quebec are now faced with a situation the seriousness - or I might even say the gravity - of which must not be underestimated.

Recent events have no doubt precipitated the development of the situation. The restlessness within Quebec, the Toronto conference, the Laurendeau-Dunton report - these factors have suddenly placed Confederation, as we know it today, in question, and more pressingly than ever before.

It is as yet too early to assess fully the effects on Canada's future of this sudden concentration of activity, but it is not too soon to see that it has accelerated matters, clarified the debate and created public interest in the problem throughout the entire country.

The situation in Quebec is, in fact, developing very rapidly; we, however, are meeting the question of unity, or, if you prefer, Canadian solidarity, with optimism, particularly since we are convinced that generally acceptable solutions are now in view. I hope that all Quebecers share this conviction with me.

The great debate on Canada's future in which we are now involved is one which Canadians of every province should follow with their hearts and minds, and one which provincial leaders should approach with a sense of great responsibility, for the attitudes and positions of all the governments of Canada will determine the country's future. This responsibility may be shared but no one has the right to refuse it. No part of Canada is free of the responsibility of contributing to the solution of the problem, just as no group will escape the consequences of failure arising out of their refusal of this responsibility.

I must point out, however, that the Federal Government, as the representative of all Canadians, is the rightful guardian of the integrity of Canada; this is a responsibility which is basic to its role and which it intends to carry out.



In the final analysis, it is the central government which must assess and evaluate all the factors involved in order to ensure not only the very existence of Canada but the mutual comprehension and the climate which will allow us to work together for the future.

We are assuming this responsibility at the present time by examining the situation as it really is and by recognizing the causes of the problem. We are fully aware of the situation.

Some still feel that, because there have always been difficulties between our two groups and because they have always been overcome whenever they threatened the nation's unity, we need not take the present crisis too seriously. A little patching here, a minor concession there - such methods have always solved matters. These people believe that time will settle the problems of today.

In my opinion, such an attitude is disastrously shortsighted. It ignores facts which are only too obvious. It is the inevitable forerunner of national disintegration. The time for patching is over. We must now face up to an evolution so rapid that it has left some breathless, and we must reorganize Confederation so that it will be able to meet the needs of the future. This work has already begun, and very soon we shall be able to move forward to action.

This is a task which, unfortunately, cannot be completed in one day, or even in seven. No one could make such a claim. This is a task which must be carried out with an awareness of the existence of the two main Canadian communities. For, let us be realistic, as long as French-Canadians are not convinced that they can continue to develop a society in keeping with their own aspirations and that they can truly participate in the development of Canada as a whole, we shall be subjected to the same friction which we are experiencing today. As long as we shall not have found, through a consensus representing at least a majority, a new constitutional stability, we shall be unable to go on and build the Canada of the future, which will guarantee well-being and equality of opportunity to all Canadians.

I said recently, and I repeat it again today, that we must do, and shall do, everything within our power to give French Canada full confidence in Canadian institutions. We must convince French Canada through action that her best chances for the future lie within one great new Canada. A strong Canada to me implies a strong French-Canadian community.

While we talk more and more about, and preoccupy ourselves with, the relations of French Canada with the rest of Canada, we must not forget the cultural, political and economic contribution of Canadians other than those of Anglo-Saxon or French origin.

It is important to remind ourselves that this group accounts for more than a quarter of the population of this country and that, when we talk of Canadian "reality", we must take it into account as a very important element in the building of the Canada of tomorrow.

This primary objective, which is essential to the very survival of Canada, as we know it, will be attained when French Canada feels secure as a community throughout the country.

This is a task which must also take into account the interests and the levels of development in the different regions of Canada.

It is obvious that the administration of a country as vast as Canada, made up of regions whose levels of development differ in every area, must be aware of all the problems which exist beyond the limits of the capital, from one ocean to the other, including those of the smallest areas, whether privileged or underprivileged, developed or underdeveloped.

In this connection, we have received some extremely useful indications of the problems in the different provinces as a result of the conference which took place last week. We are now more fully aware of what the other provinces want. For us in the central government, the question does not arise solely in connection with Quebec.

This concern is necessary if the policies which are the responsibility of the central government are to be planned and co-ordinated to fit the various situations throughout Canada.

I realize that, in sum, all French-Canadians are seeking the means which will give them the best chance of survival and development. I can hardly be indifferent to this great adventure which has been going on now for several years, and I am convinced that this search and this questioning from all sides, and from Quebec in particular, will be of profit to Quebec and to Canada as a whole. We must not fear the reforms which become necessary.

There comes a time in the history of nations when there must be a renewal of national effort, when a new consensus must be found, and when old loyalties must be tempered anew. This renewal cannot come out of complacency. We shall achieve this renewal, despite the difficulties.

Quebec and French Canada have thrown a challenge to Canada. This challenge must be taken up if the Quebec team is to remain in the Canadian league. The game will be exciting and tight, but it will never come to an end. The teams will be strong and both must adapt their play to the rapid evolution of our society.

We must recognize that there is a serious basis for the grievances of the French-Canadians; that there is a long history of frustration and exasperation caused by a Canada which, in some ways, has more or less ignored the aspirations of French Canada; that French Canada, for many reasons, has not contributed sufficiently to the leadership of the country and the exercise of political and economic power.

However, we must also recognize that French Canada has enjoyed certain advantages as a part of Canada and North American society and, at the very moment when it is beginning to consolidate its development in every field, when it is beginning to assume its relative position in the modern world, some advocate its separation from Canada. Canada would lose by it, I am sure of that. Quebec would lose as well.

Quebec already has certain established rights for which she has no need to struggle. These rights must surely be of some value to French-Canadians as individuals. These rights give you and me and our two communities an inalienable place on the Canadian stage.

I do not see why Quebecers would want to throw away something they have, something which they could develop even further in the future.

I know that, to some, these rights do not have, or no longer have, any value. This is because they have not yet been able to make full use of them, for reasons for which French Canada itself is partially responsible.

However, the battle of French Canada is not yet over. It is in Canada that it must be fought. The struggle for the survival of individuals and of groups, wherever they may be, is not an easy one, particularly when the rules of the game work to their disadvantage, as has been the case for French Canada in this country. We must admit the fact. And we have no need of outsiders to remind us of it. But would the rules of the game be any more favourable for an independent Quebec? I believe not.

The French-Canadian, if he wishes to survive and to progress, must make a constant effort to do so.

His only protection is his own will to survive.

He would have no greater protection in his own state than he could have within a Canada in which he is a full partner. Furthermore, on the international level, for example, the French-Canadian speaks through the intermediary of a country with a population of 20 million; he is backed in the world by the support of the great nation of which he is part.

In actual fact, nothing is easy. All aspects of life, whatever the structures of society, where one must work within the framework of man-made institutions, demand constant and strenuous effort. It is not easy for an English-speaking Canadian to represent a constituency in the Parliament of Canada. It is still more difficult for those who represent French-Canadian communities. They must struggle desperately, and often without recognition, for the interests of the citizens whom they represent. The work which they are doing with their English-speaking fellow citizens for French Canada and for Canada as a whole will soon produce a new Canada which can command the loyalty of all Canadians.

We all have the maturity, the wisdom and the vision required to plan and build this new Canada ourselves.

Canada, nevertheless, offers French Canada her best opportunity. Canada will see to it that these opportunities become even greater, for she is realizing, as Quebec asserts herself, grows in importance and assumes an ever larger role, that she cannot do without these six million French-Canadians in the task of building a new Canada.

Without Quebec, Canada would lose almost one-third of her greatest resource - the men she needs to dream of, plan, guide and build Canada. And this one-third is extremely important, its potential enormous for Canada, but on the condition that it remain what it is - French-Canadian.



The Prime Minister, replying a week ago to one of Canada's "regular advisers", whose opinion is never requested but often offered, emphasized again the determination of the Federal Government to make a new start:

"The future of Canada will be decided in Canada, by Canadians. I have confidence, and I know all members of this House have confidence, in the ability and good sense of all Canadians, French-speaking or English-speaking, to make the right decisions. They will do it in their own way and through their own democratic process. I believe this decision will require further constitutional changes to bring our federalism up to date and to ensure, among other things, that French-speaking Canadians, who form one of our two founding cultural and linguistic groups (or societies, if you like), will have their rights accepted and respected in Canada."

Within a few months, we shall be in a position to show tangible progress. By then, we shall have studied the results of the Toronto conference and gone thoroughly into the Laurendeau-Dunton report. In particular, we shall have experienced the first test, that of the Federal-Provincial Conference on Civil Rights.

I should like to emphasize this point, since it seems to me that, throughout this debate, not enough attention has been given to its importance. Even the enlightened, whose who are concerned every day with the rights, the survival and the growth of the French-Canadian community, do not appear to have realized all the effects of introducing the principles of cultural and linguistic equality across Canada into the constitution. Quebec does not seem to have grasped all the constitutional implications of a measure of this nature, all the doors which will be opened by it to the essential constitutional changes. Moreover, all the recommendations of the Report on Bilingualism and Biculturalism will be on the agenda of this conference. This will make the first step in the implementation of the measure for which a need is demonstrated by all the work, all the studies, all the commissions and all the debates. From the first phase, which is one of information, organization and study, we shall go on to action. I am convinced that the results will be profitable for our two communities and the future of Canada.

This measure will be a true turning-point; it will demonstrate to us all that Canadian solidarity does indeed exist, if the people of Canada, whether French- or English-speaking, are prepared to accept each other as they are. For this is the crux of the matter, the desire to live together in two different communities.

From this point of view, the most recent official discussions have performed an immense service for Canada. They have permitted the first contact in today's new atmosphere. They have allowed the first citizens of the provinces to talk, to see and understand each other, instead of engaging in quarrels via the news media.

We shall build this country together. We shall give the Canadian federal system the flexibility and the originality which it must have for the proper operation of its administration and the growth of its economy.

To accomplish this, we must establish better means of co-ordination between the various levels of government, in order to maximize, as far as possible, the effectiveness of the economic and social government of our country.

The success of this great venture which we are now undertaking will make a strong and important country, and one which has succeeded in creating a respected place for several communities within a single political framework.

In conclusion, I ask all French-Canadians to put their confidence in a Canada which they will really be asked to help build. The influence of French Canada on the new "take-off" of this country in its second century is felt more and more. All of Canada is ready and willing to accept this influence.

We shall succeed, if we do not hesitate to establish the necessary bases for the development of a country whose extraordinary future we can only partly foresee - a future for all its citizens - a future of great influence in the world. We have but to want it.

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# STATEMENTS AND SPEECHES

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

No. 67/43

## THE ADVANCEMENT OF HUMAN RIGHTS

Statement by the Honourable Paul Martin, Secretary of State for External Affairs, through the Canadian Broadcasting Corporation - International Service, on Human Rights Day, December 10, 1967.

Nineteen years ago today, the United Nations adopted, without a dissenting vote, the Universal Declaration of Human Rights. On that historic occasion, the Canadian position was expressed in the following terms:

"...We regard this document as one inspired by the highest ideals; as one which contains a statement of a number of noble principles and aspirations of very great significance which the peoples of the world will endeavour to fulfill, though they will make these efforts variously, each nation in its own way and according to its own traditions and political methods.... The Charter itself commits the members of the United Nations to principles which are not yet applied uniformly throughout the world. The difficulties in the way of a full and universal application of the principles of the Declaration of Human Rights will be even more complex. We must, however, move towards that great goal."

In 1948 the most confirmed optimist could not, I believe, have foreseen the tremendous impact that the Universal Declaration, a document imposing only moral obligations on states, would have within a relatively brief period on the advancement of human rights throughout the world. Indeed, it is no exaggeration to say that the human-rights programme of the United Nations, inspired as it was by the Universal Declaration, is one of the solid and lasting achievements of that organization. When the Universal Declaration was adopted, human rights were mainly defined in terms of political and civil rights. The elaboration of human rights by the United Nations has given all of us a greater appreciation and understanding of the extent of these rights and that economic, social and cultural rights have an equal importance in the welfare of the individual. We have come to recognize that the possession of these rights is essential to an enlightened and humanitarian civilization.

The Universal Declaration was, of course, the first step in defining human rights. Since then, the United Nations has adopted a fairly large number of instruments, both legally non-binding Declarations and Conventions. In sum, they cover in considerable detail the various rights and freedoms specified in the Declaration. To name but a few of these instruments;



- 1951 - Convention Relating to the Status of Refugees
- 1953 - Convention on the Political Rights of Women
- 1956 - Supplementary Convention on the Abolition of Slavery
- 1957 - Convention on the Nationality of Married Women
- 1965 - Convention on the Elimination of All Forms of Racial Discrimination
- 1966 - Two Covenants, one on political and civil rights,  
the other on economic, social and cultural rights.

At the current 1967 session, the United Nations has adopted a Declaration on the Elimination of Discrimination Against Women, and has made progress in discussing a draft Convention on the Elimination of Religious Intolerance.

It is very fitting that 1968 has been designated International Year for Human Rights, the twentieth anniversary of the Universal Declaration. To review the progress made, and to assess what remains to be done, the United Nations is holding an important conference in Tehran, Iran, in April and May 1968. In Canada, a Commission for International Year for Human Rights was organized last summer, of which the Governor General is the patron and the Prime Minister the Honorary President. These arrangements will give all of us an opportunity to examine critically our record in human rights, and to resolve to do our utmost to assure protection for human rights to peoples in all quarters of the earth.

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